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NEWS SUMMARY

GENERAL

Italian Cabinet formally resigns

The Italian Government resigned last night after a two-day Parliamentary debate precipitated by the Communists' withdrawal of support for the minority Christian Democrat administration.

This was the fourth Cabinet Prime Minister Andreotti has led in seven years and his second since the 1976 general election which produced a stalemate in Parliament.

It is now probable that President Pertini will ask Sig. Andreotti to form another administration. Meanwhile, Sig. Andreotti has been asked to stay on as caretaker Prime Minister. Back Page

Heart man dies

Heart transplant patient Charles McHugh died at Cambridge. Mr. McHugh, 44, from South Croydon, Surrey, had the operation 17 days ago and did not recover consciousness. He was the UK's sixth heart transplant patient.

Smith talks call

Francis Pym, Shadow Foreign Secretary, called for a fresh international initiative on Rhodesia in view of "such a decisive result" in the referendum, in which whites backed plans for limited majority rule. Parliament, Page 10; Poll, Page 4; Editorial comment Page 24

Mid-East move

... are expecting the U.S. to reconvene tripartite talks ... shortly to ... the stalemate over the ... of Israel-Egypt peace treaty.

Basque leader

A ...-year-old woman who is alleged to be the joint leader of the Basque separatist guerrilla ... ETA was among 21 people ... by French police on ... Madrid police named ... Maria Dolores Gonzalez Catarain, known as "Yoyes."

More arrests

Thirteen people have been detained ... under the Prevention of Terrorism Act ... are still being ... the same Act at Paisley, near Glasgow.

Romania shuffle

Romania President Ceausescu ... sweeping Government reshuffle, seemingly ... with the ... shortfall in energy ... Page 2

Ferret danger

A top ... has recommended that ferrets should be ... the list of animals ... without a ... recorded ... on a ... by two ferrets ... a cage.

Hess guard dies

... Hitler's ... Rudolf Hess in ... 32 years, has ... due to ... Hess, 84, ... left in ...

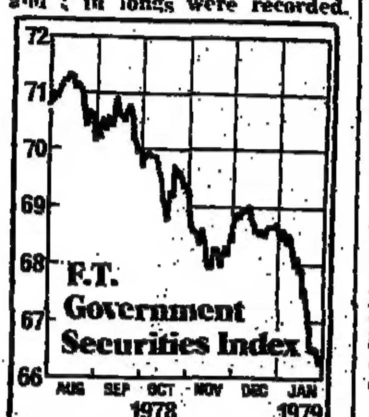
Briefly . . .

... of ... brings ... to the ... 23 ... football ... British ...

BUSINESS

Gilts fall to 23-month low

● GILTS failed to respond to the reduction in U.S. prime rates and falls of ½ in shorts and ¾ in longs were recorded.



Trading was light. The Government Securities index closed 0.12 down at 66.27 its lowest for 23 months.

● EQUITIES edged up helped by the confidence of small investors. The FT ordinary share index closed 1.7 up at 467.7.

● STERLING lost 60 points to $1.9900 but its trade-weighted index remained unchanged at 63.5. The dollar improved against most currencies and its depreciation narrowed to 7.8 per cent (8.3).

● GOLD rose $1 to $232½ in London.

● WALL STREET was 9.44 down at 842.34 just before the close.

● U.S. LEADING indicators index, a key gauge of future trends fell in December for the second month running ... a slowdown ... U.S. economy in 1979. Back Page

● TAKEOVER PANEL has accused a director of the Schlesinger group, a South African-based unit trust, of insider dealing during a reverse takeover of Chaddesley Investments by Greycoats Estates last year. Back Page

● EEC COMMISSION has proposed a freeze on all Common farm prices, "green" currency devaluation of about 5 per cent for British, French and Italian farmers, and a progressive tax on milk production, in its 1979-80 farm price review. Back Page

● NEB has been sharply criticised for failing to co-operate with NEDC industrial strategy in the electronics sector. Back and Page 8

● BL CARS has told its workforce that productivity improvements have been insufficient to justify parity payments—worth up to £10 a week for some employees. Payments due this month and backdated to November 1 have not been earned, BL Cars management said. Back Page

● WORKERS at Bilston steelworks, Staffordshire, defied the closure of one of the open hearth furnaces after it fell out of repair on Sunday night, by restarting another furnace for operation, action which could be the start of a confrontation over BSC's decision to close the plant.

● MICROELECTRONICS industry could create a further 13,000 to 18,000 jobs as a consequence of investments now planned, according to an NEDC working party report. Page 8

● MAJOR COMPANIES are now extremely reluctant to put up plants employing more than ... people, a survey by the British Institute of Management ... Economic Viewpoint, Page 25

COMPANIES

● LONRHO reports a 19 per cent rise in turnover to £1,... for the year to September 30, with pre-tax profits up from £90.2m to £93.6m. Page 22 and Lex

CHIEF PRICE CHANGES YESTERDAY

RISES					
			Royal Insurance	382	+ 8
			Stockdale	78	+ 5
			Selincourt	156	+ 8
			Williams & James	103	+ 11
			Yarrow	317	+ 7
			British ...	117	+ 8
			Castlefield	277	+ 17
			... Petroleum	194	+ 14
			...		
			FALLS		
			Tricentrol ... 1984		

Iran seeks talks on 'alterations' to defence contracts

BY MICHAEL ...NE, DEFENCE CORRESPONDENT

The Iranian Government has asked Britain to discuss possible suspension or alteration of all outstanding defence contracts, amounting to well over £1bn of business over the next ... years.

A message to this effect was received from Iran by the Ministry of Defence in London yesterday. Last night the Ministry was seeking clarification of it and pending this, no stoppage of work has been ordered on any contracts.

Following the receipt of the Iranian message, it was not clear what was meant by "alteration," though the Ministry believes this to imply that the Iranians are ready to consider a slowing of the pace of work, in place of outright cancellation.

The cost of the latter, through compensation clauses in the contracts, could prove expensive for Iran.

The main contracts on which the UK is involved for Iran include:

1—The Shir One and Shir Iran Chieftain tank orders, for 125 and 1,225 tanks respectively, none of which have been delivered. The order is worth between £600m and £700m and probably considerably more over the years in spares.

The tanks are made at Royal Ordnance factories and powered by Rolls-Royce Motors units. An earlier order for 925 early-model Chieftains has been fulfilled.

2—Completion of the remaining work on the first phase of the military industrial complex ... Isfaham, involving preparing ...structure and support ...es for factories to make ...e spares, tank parts and ... items. This is believed ...about £60m.

R...oduction of the Tracked ... anti-aircraft guided ... of ... the Dynamics Group ... wort... Aerospace, believed ... La...t £400m.

In Ira... year, as the troubles that o...w, it was reported the mis... plans to assemble been s... that country had order ... and that the entirely ... be fulfilled Aerospace ... UK by British Developm...

Rapier is s... the Tracked so far none ... der way, but to Iran. ... en delivered

British Aero... had no intima... has so far from Iran of a... any kind contract. ...nge in its

British Shipbui... standing contracts has out- £70m with the Iran... h over ...avy.

Swan Hunter has almost completed a fleet replenishment vessel at its Walker Naval yard, and Yarrow (Shipbuilders) of Glasgow expects to launch the first of four logistics support vessels for Iran in the next month.

Yarrow has some hope that its £58m contract may survive suspension, as the vessels are also designed for civilian use in earthquakes and other emergencies. They carry only light guns.

It has been feared in Whitehall for some weeks, as political troubles in Iran intensified, that Iran would seek to cut her defence contracts with the UK, if not eliminate them.

Some contracts with other countries, including the Bell Helicopter contract with the U.S., have already been axed, and many thousands of foreign workers have left Iran, including some UK personnel.

For this reason, yesterday's

Continued on Back Page

SHOW OF FORCE IN TEHRAN

AS IRAN awaited to... return of Ayatollah Khomeini after 14 years in exile, the streets of Tehran ... laid on a major show of force in ... Shahpour Bakhtiar, the Prime Minister has made it ... that the opposition leader is returning home on the ...ernment's terms.

Lloyds Bank goes into home loans market

BY MICHAEL LAFFERTY

LLOYDS BANK has become the first clearing bank to move significantly into the home loans market. It began offering house purchase loans from £25,000 upwards last month.

The move will bring the clearing banks closer to direct competition with the building societies, which have traditionally dominated the market. It is likely to be followed more ambitiously by Barclays Bank as soon as lending controls are ease.

Lloyds has allocated £20m a year initially for mortgages. It expects average loans to fall between £25,000 and £50,000 but will, however, go up to £150,000 for certain applicants.

The money will be lent over 20 years and will carry interest at 3 per cent more than base rate, although that may be reduced to 2½ per cent later.

Thus present loans will attract interest at 15½ per cent. In contrast, the building society loan scale would imply interest rates of 14 per cent on loans of similar size.

Lloyds believes that it has identified a gap in the mortgage market where it will not compete with building societies.

It says that typical loan applicants will be "rising young executives, solicitors, accountants, and directors who are well advanced in their careers."

Borrowers will be expected to take advantage of Lloyds Bank's insurance services and to consider mortgage protection or life assurance. Mortgages will normally be at up to 2½ times income, and will be limited to fo-fifths of the house price. Llds will not lend for investme or specialised buildings.

Lyds believes that a modern cleing bank should ... hou mortgage market. Its thicng is supported by Barclay which said last night, hower, that it believed the bank "should be concentrating effor on the needs of industry."

Namal Westminster describe the Lloyds move as "intesting, and not surprising," ut said that it had no plansto enter the mortgage mark in that way.

Mlcnd pointed out that it had id a similar scheme in operam for seven or eight years.t added: "We have not taken very high profile on this in recit years."

Copper tops £900 a tonne

BY JOHN EDWARDS, COMMODITIES EDITOR

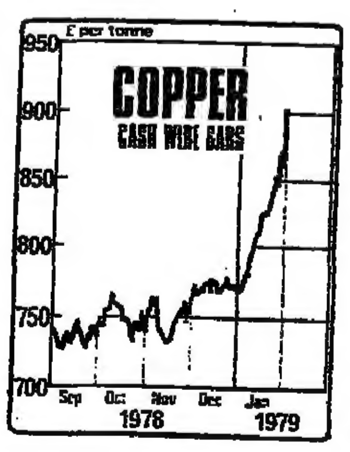
COPPER PRICES rose above £900 a tonne yesterday on the London Metal Exchange for the first time since March 1977.

A rise of £39 took the cash wirebars price to £904.50 in hectic trading—one of the biggest daily increases for several years.

The rise continues an upward trend that has already this year raised prices by nearly £150 a tonne.

Rising copper prices reflect a big fall in surplus stocks following reduced supplies from the African Copperbelt. Production and transport problems have hit output from Zaire and Zambia, and strikes have affected Canadian mines.

Production cuts because of depressed prices during the past four years have also helped create a shortage of good quality copper.



Stocks held in the London Metal Exchange warehouses have allen by about 50,000 tonneshis month and by nearly 300,00 tonnes in the past year, to the present total of only 324,00 tonnes.

Consmer demand for copper, especiay from Communist bloc countris, has also helped depletestocks. In recent weeks strong peculative buying has acceler.ed the price rise and brough fears that the market may hae risen too swiftly.

But opper producers claim that aer several years of operatig at heavy losses a rise in pric is long overdue.

Lead, platinum and silver prices ave also reached new peaks this week, reflecting increasd interest in metal market generally.

Farmig and Raw Materials Page 35

Coal aid doubts may hit pay talks

By Christian Tyler, Labour Editor

THE NATIONAL Coal Board's room for manoeuvre in pay negotiations with the miners, which re-open today, may be seriously limited by Government reluctance to increase its aid to the industry.

The board is applying for a Government subsidy rise for its running costs from £124m this year to £250m. But after its regular meeting yesterday with Ministers and union leaders, there appeared to be serious doubts that the money would be forthcoming.

Mr. Joel Barnett, financial secretary to the Treasury, told the tripartite meeting that the claims of the coal industry — which the Government said in 1974 would be supported through its lean years — had to be weighed against those of other sectors of the economy.

Mr. Anthony Wedgwood Benn, Energy Secretary, who has championed the industry, raised the question of what the timetable for the return to viability should be.

Leaders of the National Union of Mineworkers took little comfort from the meeting because of the implications for their pay demand—though pay was not discussed directly yesterday.

They are claiming increases of up to 40 per cent, to give £66 a week minimum on the surface and £110 a week maximum at the coalface.

In reply, the Coal Board has said so far that it can afford to set aside onl y£50m for wages this year. That is estimated to be worth only 3½ per cent on the wage bill.

The board expects to make an operating loss of £460m in 1979-80.

Today's negotiations, after a special meeting of the National Union of Mineworkers' executive, are certain to mean a closer look at the board's finances and some estimation of what Treasury refusal to increase the grant would mean.

The board will probably ask the union to see what exetra money can be squeezed out through greater efficiency and the question of pit closures will probably not be far behind. The tripartite group decided to meet again in a formight to assess the position again.

Editorial comment Page 24

£ in New York

—	Jan. 30	Previous
Spot	$1.9960-9970	$1.99 0.9960
1 month	0.42-0.38 dis	0.43-0.38 dis
3 months	1.31-1.26 dis	1.32-1.27 dis
12 months	4.25-4.05 dis	4.55-4.15 dis

Murray calls in hospital unions' chiefs

BY ALAN PIKE, LABOUR CORRESPONDENT

UNION leaders in the local authority and health service disputes were last night called to a meeting with Mr. Len Murray, TUC general secretary, as concern grew about the mounting effects of industrial action in the public services.

Almost half the nation's 2,300 hospitals are admitting only emergency cases and most ambulance services are restricted. Local authority services in many parts of Britain are severely curtailed with the north the hardest it, followed by London boroughs.

Local authority employers will meet Mr. Peter Shore, Environment Secretary, today or tomorrow, and tell him that they cannot settle the dispute within the confines of an 8.8 per cent formula, which would be acceptable to the Government. The employers decided when they met union negotiators on Tuesday that it was unrealistic to make the new offer, which was certain to be rejected, although this angered union negotiators.

In another impending public sector dispute, union officials and nationalised bus operators are likely to make direct representations to the Government over pay for bus drivers and con ductors. The Transport and General Workers' Union is seeking a deal similar to that won by lorry drivers.

At yesterday's meeting with Mr. Murray, the union leaders reported on the state of negotiations and on the urgent efforts they were making to ensure emergency services were maintained. Mr. Murray said afterwards that the central point was to get on with negotiations. "I am looking for co-operation from everyone — the employers and the unions. The Government has an important part to play and it can help negotiations as well."

They also reported on a proposed code of conduct which is being sent to members. Mr. Alan Fisher, general secretary of the National Union of Public Employees, said the code was intended to avoid harm to people who could not take care of themselves. It instructs ambulance crews and hospital ancilliary staff to maintain all essential services and not impede the delivery of such supplies as drugs, oxygen and fuel.

The same points were made in a similar meeting later with Mr. David Ennals, Social Services Secretary.

In the local authority dispute, unions are issuing instructions covering the effects of the action on schools and cemeteries. But these codes are the only let-up in a dispute which is otherwise still intensifying.

Mr. Michael Martin, national secretary of the Transport and General Workers' Union, advised his members to "step up the guerrilla actions" against local authorities. The union's finance and general purposes committee will today be asked to make such action official.

The full staff side of the Burnham Panel yesterday agreed to submit a pay claim of about 35 per cent on behalf of teachers. This is the level of increase which the teaching unions says is required to restore the value of the 1974 Houghton award.

Mr. Fred Jarvis, National Union of Teachers general secretary, denied that the teaching unions were being irresponsible. "Even when there was an agreed measure of pay restraint which we fully supported at the time, teachers fell behind. That is why the shortfall is now as large as it is."

Negotiations on the claim will begin early next month.

Strike effects and TUC economic committee meeting with Ministers Page 9
Parliament Page 10

Hard line Mrs. Thatcher

BY RICHARD EVANS, LOBBY EDITOR

MRS. Margaret Thatcher, Conservative leader, stated categorically yesterday that she would be prepared to take on trade unions if they acted against the public interest.

"If someone is confronting our essential liberties and inflicting injury and hardship on the sick, the elderly and children, then by God, I will confront them," she declared in a BBC radio interview.

She added that she was prepared to take on anyone who confronted the law of the land and the essential liberties of the country. "It's about time more people did."

Mrs. Thatcher's aggressive tone worried some moderate Tory MPs but the general reaction was highly favourable. Her supporters believed her justified in warning the unions that they could expect a tough reaction from a Conservative government to conduct that was clearly harmful to the community at large.

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FEATURES

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Amnesty International 1978 Report

Growing pressure on human rights

BY ROGER BOYES

AMNESTY INTERNATIONAL, the London-based human rights group, yesterday presented a grim, comprehensive catalogue of governmental abuses throughout the world. Torture, imprisonment without trial and the execution of political opponents appear to have become the standard policy of a number of states, according to the group's 1978 annual report, which documents human rights violations in 110 countries.

Amnesty aims to generate publicity about selected "prisoners of conscience"—people jailed because of their political or religious convictions—and put pressure on the governments concerned. The group hopes that the states will not only ease their treatment of "prisoners of conscience" but also change their general attitudes to political detention and the use of the death penalty.

Bad publicity

Sometimes the approach appears to pay dividends and governments, embarrassed by the bad publicity, are forced to consider appeals for clemency or even pardon prisoners. More often than not, however, Amnesty runs up against powerful resistance to any kind of outside pressure.

Clear examples of this can be found in the annual report's Middle East and North Africa section. Last year in Iraq, for instance, alleged Communist Party members were executed, as were suspected Kurdish dissidents, many of whose relatives were also imprisoned. In Tunisia, hundreds of people were arrested for trade union activities.

There was a similar story in Africa, according to the report. In Congo, Equatorial Guinea, Somalia and Zaire suspected opponents of the regime were arrested and executed after trial or summarily killed. In Ethiopia, thousands of people suspected of being dissidents were killed in a programme of "revolutionary terror."

In Uganda, where Amnesty claims that the murder by security forces had, at times, reached "massacre proportions," members of the Lango and Acholi tribes were killed because of their tribal origin. Amnesty also recorded cases of torture and other ill-treatment of prisoners in Rhodesia and South Africa.

Many of these countries, the report makes clear, have done little to disguise this systematic violation of rights. Sometimes they reflect long-standing tribal rivalries or a cultural tradition of severe punishment for disloyalty. Countries with a legitimate opposition, like South Africa, resort to a certain amount of pretence. Prisoners are said to "die suddenly under interrogation," others die while "resisting arrest."

However transparent these terms may appear to Western observers, they do at least represent a degree of sensitivity to external pressure on human rights. The same could be said of the Soviet Union, which, as the report points out, arrests political dissidents on charges of "anti-State activities," "hooliganism" and "parasitism." The Soviet Union is adamant that dissidents are not tried for their beliefs but for breaking the laws of the land.

One of the major problems which Amnesty faces is that of biased sourcing. Information about human rights violations frequently comes from people with a vested interest in discrediting the government. While Amnesty makes every effort to secure independent confirmation, it is also difficult to assess the national relevance of individual reports.

Sharply critical

The dependence on refugees and dissidents for information also means that the human rights records of some countries is rarely reported. Thus the entry for North Korea simply records that the "Government maintains severe restrictions on access and travel, and the government-controlled Press has not reported any relevant human rights information."

By contrast, Amnesty is sharply critical of South Korea's treatment of trade union activists and of its crackdown on political dissidents. This could, critics of Amnesty maintain, lend force to South Korean pressure groups who would prefer a less open society.

South Korea and a number of other countries have released prisoners over the past year and Amnesty must take some of the credit for this. But the main cause has been President Carter's stress on human rights.

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VW explores car assembly in S. Korea

BY GUY HAWTIN IN FRANKFURT

VOLKSWAGEN, West Germany's biggest car manufacturer, is holding exploratory talks which could lead to the assembly of its cars in South Korea. Discussions were at a very early stage, Volkswagen said yesterday, but it was certainly interested in the possibility of producing there.

The news follows hard on the heels of last week's announcements that VW is to embark on a joint venture with the Egyptian Government to produce its Beetle model in Egypt, and that it is planning to invest $50m in Chrysler's loss-making Brazilian subsidiary.

Reports from Seoul, the South Korean capital, state that the Hyundai motor company—the widely diversified South Korean industrial group—made the first approaches to Volkswagen. According to the South Korean Press, the project envisaged the production of up to 300,000 units a year, with 150,000 earmarked for the domestic market and the remainder for export in Asia.

Volkswagen yesterday declined to name its partner in the talks. A spokesman at its headquarters at Wolfsburg, near Hanover, said that discussions were at too early a stage to say with whom the group was talking, or the production runs envisaged.

Hyundai is also understood to have declined to comment on the reports. However, it should be pointed out that the South Korean Press is subject to strict government control.

The South Korean Press reported that a Volkswagen delegation was due to visit the country next week. The VW spokesman, while neither confirming nor denying this, pointed out that it was very difficult to have talks without either sending delegations to South Korea or receiving them in Germany.

At this stage, any attempts to estimate the potential size of South Korean production—assuming the deal went through—is speculation. Indeed, the 300,000 units a year mentioned in the reports is far above the 10,000 units annual output planned for Egypt. However, VW's Brazilian plants are producing 500,000 units a year.

If the deal came off, it would give Volkswagen a head start in a market as yet virtually untapped by European mass car manufacturers with the ability to show even the Japanese stiff price competition. Furthermore, there would be the enjoyment to be derived from competing with the Japanese on their own home turf—particularly in view of the fact that it was the Japanese that caused VW considerable problems by pushing the Beetle out of the then highly-lucrative U.S. market.

There is no doubt that VW has ample resources for such a project despite last week's announcements. The group, which in 1974 and 1975 lost a total of DM 1bn, is today suffering from an embarrassment of riches and is eagerly seeking a permanent home for DM 3bn ($1.63bn).

An attempt last year to buy a majority stake in Nixdorf, the West German computer group, ended in failure. Furthermore, the Chrysler do Brasil stake will cost only $50m, while the Egyptian project is likely to cost only $27.2m-$32.6m.

Top men go in Romani reshuffle

BY PAUL LENDVAI IN VIENNA

MR. NICOLAE CEAUSESCU, the Romanian President and Communist Party leader, has carried out a sweeping Government reshuffle. The changes, initiated on the eve of an important Central Committee meeting, affect some of the most powerful men in the country.

The reshuffle appears to be connected with the country's energy problems and also reflects the President's traditional method of changing top personnel. One of the most surprising moves is the appointment of Mr. Emil Bobu as new Minister of Labour. Mr. Bobu, until now one of Mr. Ceausescu's deputies as head of state, is expected to take over the chairmanship of the trade union federation. The former Labour Minister, Mr. George Pana, is to become Mayor and party chief of Bucharest, which, on previous form, is probably a promotion.

One of the losers in the reshuffle appears to be Mr. Gheorghe Cioara who was between 1972 and 1976 party chief of Bucharest and subsequently Deputy Premier. But he now has to take up the portfolio for electrical energy, a job which he held 20 years ago.

Romania is faced with serious energy problems. As early as 1977 electric power production fell 3.25bn KWh short of the annual target of 63.1bn KWh. The severe winter conditions coupled with the effects of the drought on hydro-electric power have now created a serious situation affecting both industry and consumers. At one point last November hydro-electric plants were able to supply only 65 per cent of the planned output.

The 1978 plan provided for an output of 64.5bn kWh while the 1979 plan set a target of 70.2bn kWh. The fact that the former Minister of Electric Power, Mr. Trandafir Coci was sacked after less than years in office is a sign power output h fallen short of e again

Another sign is the the latest change in removal of M. Cazacu as Deputy Premier. The former ambassador to Yugoslavia who, less than a year ago, was simultaneously promoted to membership of the Politburo, to Central Committee Secretary and Deputy Premier, retains however positions. The plenary of the Central Committee today will provide further clues as to the changes in the apparatus.

Observers in Bucharest stress that the latest changes can be linked to strains in the economic sphere and to the game of "musical chairs" has become a familiar feature under Mr. Ceausescu's rule. During the recent birthday celebrations of Mrs. Elena Ceausescu some newspapers revealed that the wife of the party chief is not only a member of the Politburo but also chairman of the crucial Central Committee Commission in charge of cadres.


President Nicolae Ceausescu

Bank says Ireland's boom has ended

By Our Dublin Correspondent

SIGNIFICANT differences have emerged between the Irish central bank and the Government over the prospects for the economy. The bank, in its quarterly bulletin, takes the view that the boom of the past year has petered out and the prospects for substantial growth are poor.

But the Government is sticking to its view that growth of more than 6 per cent is possible this year, especially if there is moderation in pay demands. Dr. Martin O'Donoghue, the Minister for Economic Planning, claimed that the bank did not have the latest statistics when it prepared its bulletin.

Crucial indicators, like cement and retail sales, were rising again after slackening in the last quarter of the year, he said and refused to move from the Government's growth targets.

The bank took the view that the economy had been marking time from the latter half of 1978 and that growth for last year, never mind next, would be less than the 7 per cent which the Government expected.

It believes last year's boom was fuelled by the injection of funds by the Government to increase consumer spending, and that this cannot be repeated in 1979. It does agree with the Government, however, that excessive wage demands are damaging the economy.

The bank is gloomy, too, on inflation prospects, saying that last year's 7.9 per cent was due to special, unrepeatable circumstances. Dr. O'Donoghue pointed out that this is a considerable change from the bank's forecasts in its previous quarterly bulletin and said there was not enough information to justify such a substantial change of mind.

Eurofer leaders to resign

By Giles Merritt in Brussels

THE TWO top men in Eurofer—the "club" that groups 95 per cent of EEC steel producers—have decided resign. M. Jacques Ferry, the president of Eurofer, who also heads France's steel industry association, has indicated that he will be refusing a second period of office when his two-year term expires at the end of March.

At the same time, Dr. Heinz Krivet, the senior Thyssen executive who was brought into Eurofer as a "crisis manager" only four months ago, has tendered his resignation.

M. Ferry's successor as the head of Eurofer is to be M. Emmanuel Tesch, chairman of the Luxembourg steel giant Arbed. It is not yet clear whether a successor to Dr. Krivet will be appointed, owing to the internal disorganisation which reportedly exists at Eurofer.

M. Ferry's decision not to accept a second term has been ascribed to the "cumulative internal strain" of pressing for observance by EEC steel companies of the crisis plan for limiting production and maintaining prices. Dr. Krivet has refused to comment on the reason for his resignation.

Tito begins 4-nation Arab tour

BY ALEKSANDR LEBL BELGRADE

PRESIDENT TITO of Yugoslavia starts a tour of Arab countries today which will underline his country's independent stand on Middle Eastern problems and important economic links with oil producers.

Another consideration of the President, who places much importance on this trip, will be to heal some of the divisions in the non-aligned movement. Yugoslavia played a central role in that movement which is now coming under pressure from the radical states to follow the Soviet line on key policy issues.

The visit to Kuwait, Iraq, Syria and Jordan is certain to provoke criticism from the Soviet Union. Yugoslavia has vocally backed the Camp David summit—which was condemned by the Soviet Union—and has given cautious support to President Anwar Sadat of Egypt. Although Belgrade has criticised some of the Egyptian tactics in the recent peace talks, it is anxious that Cairo is not isolated in the Arab world.

This will be the nub of much of his discussions with Syria, Jordan and Iraq. He is also expected to meet the Palestinian Liberation Organisation leaders and is likely to urge a more moderate approach towards Israel.

Economic issues will rank prominently on the agenda of President Tito's meetings, especially in view of the approaching UNCTAD meeting in Manila. Yugoslavia would like to strengthen the unity of the Group of 77 and to improve the group's solidarity, especially between the oil-producing and oil-importing countries.

Yugoslavia is also anxious to carve out a greater role in Middle East markets, especially as a supplier of agricultural produce and services. It has comparatively well-developed economic co-operation with Iraq and Kuwait. Yugoslav trade with Kuwait, where the President will arrive today, amounted to $37m both ways and was more or less balanced in the first 11 months of 1978. Kuwait is an important creditor of Yugoslavia whose borrowings there total some $400m, of which $125m is for the oil pipeline inland from the Adriatic.

With Iraq, Yugoslavia runs a big deficit of some $300m, stemming mainly from crude oil purchases. Iraq is the most important single service of Yugoslavia crude imports.

Bulgarian output up 7%

BY OUR VIENNA CORRESPONDENT

BULGARIA last year achieved a 6 per cent rise in national income compared with 1977, but performance fell short of the 6.8 per cent target. This is the lowest figure during the current five-year plan and confirms earlier predictions by Western observers that the 1976-80 plan, which set an annual growth target of 7.7 per cent, will not be fulfilled.

Industrial output last year was up by 7 per cent on 1977, but there again the target, at 7.7 per cent, was more ambitious.

It is important to note, however, that despite poor weather conditions, the value of farm output was 5 per cent up on the 1977 figure. This rate was in accord with plan targets. However, as 1977 farm output declined by 6.5 per cent, total agricultural production is still below the 1976 level.

Foreign trade turnover rose by 11.1 per cent, slightly below the planned increase of 11.5 per cent.

Deadlock at talks on hostage treaty

By Brij Khindaria in Strasbourg

AFRICAN insistence that the seizure of hostages by liberation movements should not be banned under all circumstances has caused deadlock in negotiations in Geneva on an international convention against hostage-taking.

The Africans argue that liberation movements recognised by the Organisation of African Unity should be treated as legitimate fighters in a war against racism and should not be equated with terrorists.

Almost all other countries feel that to give such exemption would create an unstoppable loophole which could be used by terrorists everywhere to attack legitimate Governments.

While the U.S. and France have taken the toughest positions so far, many Latin American and Asian developing countries are also worried that the door might be left open to extremists.

The question is complicated by protocols added in 1977 to the 1949 Geneva Conventions which defined struggles for national liberation as "armed conflicts" to be governed by rules of war. The West feels that the taking of hostages in peacetime, even by liberation movements, is an act of terrorism which cannot be exempted from the proposed treaty.

Building industry shows signs of strong recovery

BY OUR FRANKFURT CORRESPONDENT

WEST GERMANY'S construction industry, which has been in recession for most of this decade, is showing signs of a powerful recovery. Orders for the first [illegible] months of last year were nearly [illegible] per cent up on the same period of 1977.

Total orders from January to October amounted to DM 54.49bn ($29.5bn). Although this winter shows all the signs of being a hard one, there is little doubt that 1979 will be a good year for construction output.

The lion's share of the increase in bookings is coming from the public sector—public works being one of the first beneficiaries of the Government's attempts to stimulate the economy. However, there are strong indications that a substantial share of the recovery can be laid at the door of the housing and industrial construction sectors.

During the first 10 months housing orders were up 32.4 per cent to just under DM 16bn, while industrial construction orders rose by 13.1 per cent to DM 12.22bn.

Public authority construction orders for over-ground construction—projects such as office blocks—increased by 22.1 per cent to DM 6.42bn during the period. Road works bookings, at the same time, rose 17.2 per cent to DM 9.18bn. Underground construction, such as tunnelling, increased 33.8 per cent, bringing orders to DM 10.[illegible]bn.

Polish income grows by 2.8%

By Christopher Bobinski in Warsaw

POLISH NATIONAL income increased last year by 2.8 per cent compared with 1977. This was just over half the planned growth target of 5.4 per cent, according to economic performance figures published by the National Statistical Office. Last year's growth figure is the second lowest in the last 20 years.

Planned targets for growth in both industrial and agricultural production were also not reached. Industrial production grew by 5.8 per cent and agricultural production by 4.2 per cent over 1977.

French bank staff strike

BY TERRY DODSWORTH IN PARIS

FRENCH BANK workers took to the streets yesterday in a demonstration which underlined the spreading fears of unemployment among white collar employees.

The national day of strikes, supported by all the large unions in the banking sector, follows recent large demonstrations of middle-managers throughout France against growing unemployment in their ranks. It also comes in the wake of the announcement by Renault Industrial Vehicles of 1,000 white collar redundancies.

The main anxiety of the banking staff concerns the application of new computerised technology in an effort to streamline clerical functions.

Key Dutch pay talks broken off

BY CHARLES BATCHELOR IN AMSTERDAM

Wage negotiations between the employers and building and heavy metal industry unions in Holland have been broken off. These two groups are the largest in Dutch industry, with about 240,000 workers in the metal sector and 280,000 in the building trades.

The metal industry talks are traditionally among the toughest in Holland's annual wage round. The talks are now being held on an industry by industry basis following the breakdown in November of central wage negotiations involving the two sides of industry and the Government.

The metal industry trade unions are seeking a reduction in the working week to 35 hours. The employers are opposed to any reduction of hours since the industry already faces a shortage of skilled personnel. The unions reply that they are giving priority to the need to share out the available work more evenly while the Fl20 ($10) a month flat rate increase demand by unions affiliated to the FNV federation, the largest in Holland, has been put aside for the time being.

The employers said the first priority of the industry is to improve productivity and competitiveness. Even if there is no flat rate wage increase this year price indexation and other factors will lead to a 6.5 per cent rise in wage costs. Production levels are only expected to rise 4 per cent.

Meanwhile, Holland is to provide extra aid to its four northernmost provinces to create more than 20,000 jobs over the period up to 1985. This is to combat the area's traditionally high level of unemployment — 8.2 per cent compared with the national average of 5.3 per cent in December — and to compensate for the delayed impact on the north of the country of the plan to cut public sector spending.

The public sector cuts totalling Fl 10bn over the next three years are expected to stimulate private industry and create extra jobs.

The Government will provide an extra Fl 65m to cover the three years to 1981 during which period an extra 10,000 jobs are due to be created in the provinces of Groningen, Friesland, Drenthe and Overijssel. Another 10,000-12,000 jobs should be created over the following four years.

THE SWISS NUCLEAR REFERENDUM

Imposing safeguards through the ballot box

BY DAVID MARSH, RECENTLY IN BASLE

Switzerland votes later this month on a controversial plan to toughen licensing procedures for nuclear power stations. If adopted the proposals could effectively spell the end of nuclear energy in the country.

IN AN exercise in democracy whose significance extends well beyond the boundaries of the 23 cantons, Switzerland's 4m electorate is to be asked to vote on proposals to tighten drastically licensing procedures for the country's nuclear power stations.

The referendum on February 18 is the climax of a campaign launched more than three years ago by a committee grouping the main strands of the Swiss anti-nuclear movement. If it carries the referendum, seven additional clauses, incorporating a series of safeguards and conditions, will be inserted in the constitution.

Adoption of the proposals would not only effectively spell the end of nuclear energy in Switzerland, dealing a severe blow to the Government's energy planning and to the country's important nuclear engineering industry.

Coming soon after Austria's rejection of nuclear power in November, it would also be another serious setback for general plans to implement atomic energy programmes in industrialised countries.

Switzerland's nuclear power programme, in relation to the country's energy needs, is one of the largest in the world. Around 17 per cent of the country's electricity is generated in nuclear stations. Another 30 per cent comes from the one important indigenous energy source—water power—and only 3 per cent from conventional thermal plants. The nuclear proportion will rise to more than 30 per cent as soon as the new 920 MW N-plant at Goesgen, which has just become critical, goes on stream in a few months' time.

The impetus for nuclear power has come from the country's lack of coal, gas or oil reserves. Imported oil accounts for 70 per cent of Switzerland's primary energy requirements—a figure which both supporters and opponents of nuclear energy say is far too high.

But the emphasis on the atom has also sparked off considerable opposition in recent years. There have been several demonstrations and occupations of plant sites, a few of them violent.

A coupling of the concessionary procedure with the waste disposal question is also viewed with dismay. Under the regional approval scheme, sites in Switzerland for the final storage of high level radioactive waste would stand little chance of ever being set up. (The nuclear industry has drawn up a list of five domestic sites where waste would be stored in underground anhydrite deposits—all have met with considerable local opposition.)

Dr. Eduard Kiener, director of the Government's Energy Office in Berne, says, "the fundamental idea behind the referendum is to block nuclear power through bogus democracy and through the egoism of individual regions." He foresees a wiping out of all nuclear power in Switzerland within 10 years if the referendum proposals are adopted.

That would undoubtedly be a serious blow for the Swiss nuclear engineering industry, represented by specialist concerns such as Brown Boveri and Sulzer as well as by a host of smaller companies which are important suppliers of components.

Dr. Hermann Wisler, director of the Goesgen power station, points out that an effective closure of the domestic market for N-plants would also severely restrain the Swiss ability to sell components and expertise abroad. "There is probably no nuclear plant in the world that does not contain Swiss components. If we can build no more plants in Switzerland, a lot of experience and technical contacts would be lost."

The proposals lay down safety and environmental conditions for the granting of 25-year operating concessions for nuclear stations and associated facilities like storage sites for radioactive waste. They also contain the provision that nuclear operators would be fully liable for the consequences of accidents (at present liability is limited to SwFr 200m).

Operating concessions would be granted only if the station in question were approved by the electorates in the immediately affected and nearby communes, and also in each canton within 30 km of the site. A further condition would be the establishment of a complete project for the disposal of nuclear waste.

Further, under a "bridging rule" to cover plants already in operation, the proposal foresees that these stations would be closed down after three years unless they successfully re-applied for operating concessions within that period (although plants in operation or under construction on July 1, 1975 would not need to apply for approval of the neighbouring communes and cantons).

The Government, which has recommended rejection of the proposals, feels that a system of regional referendums would almost certainly block the three controversial plants—at Leibstadt, Kaiseraugst and Graben—planned in north-west Switzerland, where local opposition is particularly strong.

Because it views the envisaged three-year bridging period as too short, the Government also believes the existing three plants at Beznau and Muehleberg, as well as the new one at Goesgen, could be shut down eventually if the referendum succeeds.

The Government would have to do a lot of hard thinking on how a prospective shortfall in Swiss electricity demand could be made up. Even assuming modest economic growth rates of 2.5 per cent annually and increased Government intervention to promote energy savings, Dr. Kiener says that by the end of the century Swiss electricity demand is likely to be around 58bn kilowatt hours a year, or 80 per cent higher than it is now.

A Government-commissioned energy study brought out at the end of last year recommended that a further four nuclear plants each of roughly 1,000 MW capacity should be built over the next 20 years. This would treble the 2,000 MW capacity presently installed or about to go into operation.

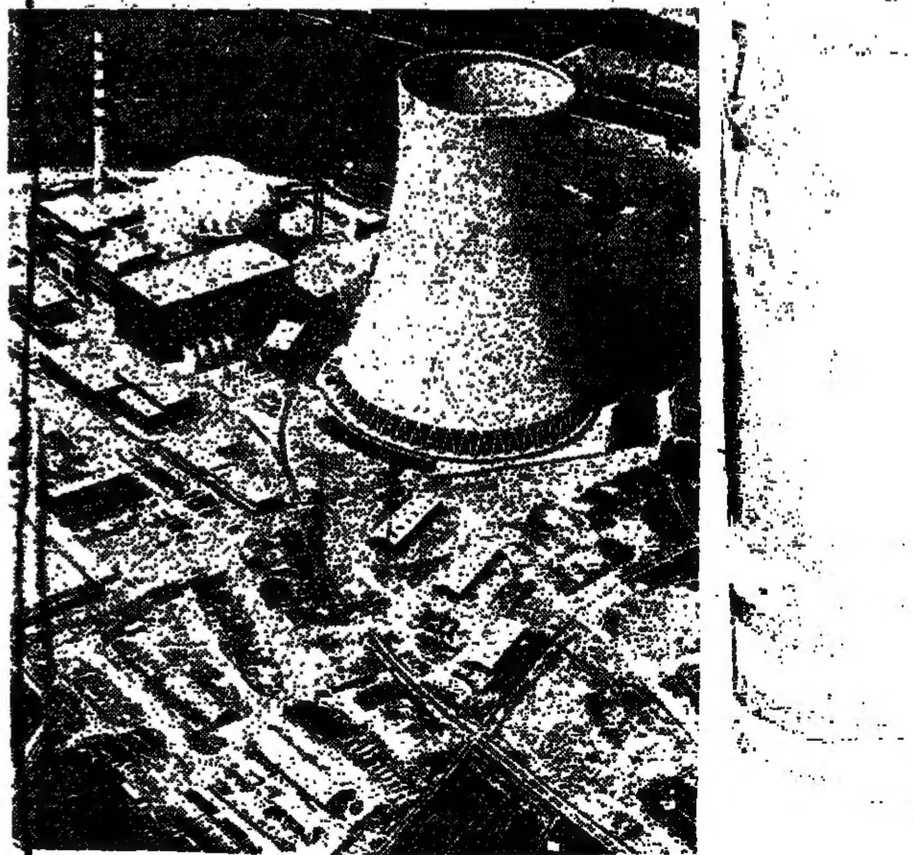
Dr. Kiener thinks the best way of meeting the nuclear objections is through the Government's proposal to revise the out-dated Atomic Energy Act of 1959 to tighten up procedures for operating permits, waste disposal and accident liability.

"The only real alternative to nuclear energy," concludes Dr. Kiener, "is less electric current—and less economic growth."

The opposition movement does not see it that way. Herr Alexander Euler, one of the committee's three joint chairmen, believes that "the energy potential for future growth is there, if only we would use what is available in an efficient and sensible way."

Herr Euler, a dapper, voluble man of 49 who has relegated the running of his Basle civil engineering business to a mere sideline as the referendum campaign hots up, points to Switzerland's traditional large export surplus in electricity as evidence that there is more than enough energy to go round.

How will the referendum turn out? Dr. Wisler, who warns against drawing conclusions from the "extraordinarily political" Austrian referendum, thinks that the "factual judgment" of the Swiss citizens will prevail and the proposals will be thrown out. Herr Euler says only that the fight will be hard and the result close. Dr. Kiener, who points out that some sections of the church and the union movement as well as the Socialist Party, are supporting the proposals, says he is less optimistic that they will be rejected than he was a few months ago. "A lot will depend on how the women vote—they are more sceptical than the men."


The new 920 MW nuclear plant at Goesgen, built by West Germany's Kraftwork Union.

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Deng hardens line on threat from Moscow

BY COLINA MacDOUGALL

DENG XIAOPING (Teng Hsiao-Ping) the Chinese Vice-Premier, once again hardened his public line on the threat posed by the Soviet Union and warned against detente, in contrast to earlier statements in the course of his visit to Washington which avoided confrontation with U.S. policy on this issue.

In a tough speech at a reception here on Tuesday night, he declared that "The zealous pushing of a global strategy for world domination by the hegemonists (the Chinese code word for the Russians) cannot but increase the danger of a new world war."

He went on to attack the present detente as a cover for a military build-up by the Soviet Union in preparation for wars of aggression and pointed out that Europe, too, was threatened.

The Vice-Premier accused the Soviet Union of backing Vietnam in its attack on Cambodia. That followed remarks Deng made on Tuesday afternoon at the U.S. Senate that China needs to "react appropriately" to secure its borders and must not allow the "hegemonists" to "run rampant."

U.S. intelligence sources say that in the past three weeks China has moved an estimated 10 or 12 divisions to the border area, far too large to be just a show of force. On its side, Vietnam is reported to have ordered a full military alert along the Chinese border.

Vice-Premier Deng appeared to be calling for the U.S. to stand up to Moscow's strength, noting that China would fulfil "its international duties" despite its relative poverty

This is in marked contrast to his attitude in global discussions with President Jimmy Carter when he apparently agreed to differ on the question of the Soviet Union and accepted the U.S. policy on seeking a Strategic Arms Limitation Agreement (SALT).

It is possible thta with a large team of Chinese journalists covering his American visit, the public image of his trip received in Peking has to be a tougher one than be wishes to adopt in private talks with the U.S. President.

Observers in Washington still perceive some controversy in the Chinese leadership over relations with the U.S. and while Deng's supporters are in a position of strength, he may wish to seem to be taking a harder line than he really is.

Nevertheless, Deng's harder line may have some effect on domestic American opinion. Senator Henry Jackson, known to be sceptical about detente, said on Tuesday that the Chinese attitude would not help the Administration in the forthcoming debate on SALT. He argued that since the Chinese, who had dealt with the Russians over many years, still distrusted them, some attention should be paid to their views.

However, Deng's public line on Taiwan is no different from that expressed in his private talks with leaders here. At a reception on Tuesday evening, given by the National Committee for Chinese Americans, he told those with relatives on the island that since normalisation of Sino-American relations there were now better prospects for peaceful re-unification. He stressed that "the Chinese Government will surely take into account the actual situation" and stated that Peking's policy would be "reasonable."

U.S.-China business, Page 6

Somoza seeks relief on foreign debts

BY DAVID LASCELLES

General Somoza

NICARAGUA cannot meet foreign debt obligations of \$150m and is refusing to seek help from the International Monetary Fund, Sr. Roberto Incer Barquero, president of the country's central bank has announced.

"At the moment Nicaragua has the capacity to pay the interest only on the debt of £150m that is due in the middle of this year," Sr. Incer Barquero said.

He added that the Government would try to refinance some loans to pay what it owes to international lending agencies and some private foreign banks. Explaining the unwillingness of the Government of Gen. Anastasio Somoza to have recourse to the IMF, he accused the fund of playing political games and violating its own rules.

International bankers in London have been expressing dissatisfaction with what they see, as the Nicaraguan technique of stopping payments due to banks and consulting them afterwards.

It had been expected that the Somoza Government would have been able to meet its foreign obligation with the proceeds of the coffee and cotton harvests but these appear not to have been sufficient. The Government has been hard hit by its inability to collect taxes during the civil war which affected the country for much of last year.

At a meeting in New York next Thursday, representatives of Nicaragua's Finance Ministry and central bank are expected to seek relief on the country's multi-million dollar debts with U.S. banks. They are expected to ask for a moratorium on payments and a loan to finance the country's balance of payments in the meantime.

According to New York banking officials, Nicaragua has failed to pay interest on its loans since last November. However, the central bank notified creditors about this beforehand, and there has been no question of declaring a formal default.

The bank also sent a mission to New York to negotiate a grace period on all interest payments due until next March, and principal payments due till next June.

The precise sums involved are hard to calculate because Nicaragua does not keep records of its total external debt and with more than 130 U.S. banks involved, there is no central record in the U.S.

According to one bank, the two main items on the agenda next week will be Nicaragua's request for confirmation of the moratorium on interest and capital payments, plus a request for general purpose balance of payments financing. Nicaragua is believed to want a 10-year loan with a three-year grace period to cover all loans maturing between 1979 and 1981.

The creditor banks, who may form a committee to handle Nicaragua's problems as they did with Peru, have not yet taken a concerted position. However, it appears from discussions with the main banks involved that while they accept the need for a moratorium, they are less happy about the loan request.

The strong U.S. political interest in the Nicaraguan situation has also produced allegations that Washington interfered with the IMF's procedures to prevent Nicaragua gaining the representation among the executive directors

U.S. paper disputes nearing settlement

By John Wyles in New York

A POSSIBLE breakthrough in the pay strikes which have disrupted the U.S. west coast paper industry for up to six months has emerged following settlement of a 207-day strike at a Boise Cascade Corporation mill at West Tacoma, Washington.

The past 12 months have been an extraordinarily unstable period for the paper industry. Some mills in Canada and the north-east have had disputes which analysts have found far more difficult to explain than the west coast strikes. These feature a relatively small union seeking to establish itself in contract renewal negotiations.

Earnings of about a dozen companies in the western states have been variously affected by the strikes by members of the Association of Western Pulp and Paper Workers. Shortages of some categories of paper have caused price increases, which benefit mills still operating normally.

About 11 per cent of U.S. paper production is located in the west but supplies have not been cut by this amount because of strenuous efforts by many companies to keep their mills operating. Crown Zellerbach, for example, has drafted a good proportion of its management and virtually all of its sales force into paper production.

The Pacific Association of Pulp and Paper Manufacturers is now hoping that the Boise Cascade settlement will provide the pattern for ending the other strikes. It is something of a breakthrough in the sense that the union dropped its insistence on a two year contract and accepted three years.

Interest rates 'not at peak'

By Our New York Staff

MAJOR U.S. banks yesterday refrained from hurrying down the path blazed late on Tuesday by Chase Manhattan's decision to cut its prime rate from 11¾ to 11½ per cent.

Although a couple of small regional banks have similarly lowered their charges to best customers, Chase's isolation brought disappointment to the stock market, which was down more than six points by noon.

The general view on Wall Street appeared to be that even if other money centre banks follow Chase's move, the reduction will be a temporary one and that short-term interest rates still have some way to go before they peak.

Many observers read this into Chase's statement announcing the new prime rate which warned against assuming that the reduction signalled that short-term rates had topped out. Meanwhile, Mr. William Miller, Chairman of the Federal Reserve Board reasserted in New York yesterday that it would be "premature" to make such a judgment.

Chase's move does reflect, however, the decline in short-term interest rates which has taken place over the last month and the consequent reduction in the cost of funds to commercial banks.

But since this may be no more than a fairly common seasonal phenomenon, few private economists and, apparently, Mr. Miller, are disposed to believe that the U.S. economy is taking a new direction.

Thus the reduction in the prime—the first since the rate was cut to 6.25 per cent at the end of 1976—is not seen as likely to endure, although it may yet be followed by other banks.

Boost for public television funding hopes

BY DAVID BUCHAN IN WASHINGTON

Public broadcasting, long the orphan of the U.S. media should receive a three-fold increase in funding, according to a report to be studied by President Carter. The Carnegie report suggests that the government should recoup part of the cost bv charging the commercial networks a fee for the use of th airwaves

A THREE-FOLD increase in funds for U.S. public broadcasting and a new structure to shield non-commercial TV and radio programming from political interference, are the main recommendations of a Carnegie Commission report, designed to correct what it calls fundamental flaws in the present system.

President Carter said in a statement that the report, which calls for a quadrupling to \$640m of the Federal Government's annual contribution to public broadcasting, would be carefully studied by his Administration. It was a previous Carnegie Commission report 12 years ago that shaped the present system.

The report recommends an annual budget for public TV and radio of \$1.2bn by the mid-1980s. Last year they had a total of \$533m from all sources.

It makes the controversial suggestion that the Federal Government should recoup part of its \$640m contribution to this expanded budget by charging the commercial networks a fee for the use of the airwaves. At present, the commercial networks get their licences free.

The present Corporation of Public Broadcasting should be scrapped, and replaced by two new bodies: a presidentially appointed Public Telecommunications Trust, and a separate, largely autonomous programming organisation to encourage new and innovative forms of television and radio.

Short of funds and, on occasion, lacking adequate insulation from political pressures, the existing non-commercial system is often criticised for relying too much on drama imports from the British Broadcasting Corporation, and for putting too little into American home-grown productions and into hard hitting current affairs programmes.

While conceding the flaws in the present non-commercial system, the Carnegie Report criticises the state of U.S. commercial broadcasting. "The power of the communications media should be marshalled in the interest of human development, not merely advertising revenues."

The commission urges the U.S. to support public broadcasting as Britain and Japan do. But it does not go as far as to suggest a public network, integrated and national like the three commercial networks—CBS, NBC, and ABC.

If the Administration puts its weight behind the Carnegie recommendations, which it may hesitate to do given the current budgetary constraints, the report may get serious consideration in Congress, which has been drawing up its own reforms for public broadcasting.

Canadian dollar decline 'most severe in history'

BY VICTOR MACKIE IN OTTAWA

THE official Opposition in the Canadian House of Commons is demanding that the "calamitous decline" of the Canadian dollar be the subject of a full inquiry by the Commons finance and economic committee. Mr. Pierre Trudeau, the Prime Minister, is resisting those demands.

Mr. Joe Clark, the Opposition leader, said the fall of the Canadian dollar has had more impact on the economy than any budget introduced during the life of the Trudeau Government. Despite this, he charged, the Government has resisted any examination of the causes of the decline.

"The dollar crisis is the most severe in the history of Canada. What we are asking for is an opportunity for the truth to be told so that Canadians have all the information about what has led to the Government's dollar policy," said Mr. Clark.

Mr. Sinclair Stevens, an Opposition MP, said the international markket "has passed a devastating verdict on Canada by making our currency the softest of any of the currencies of the industrialised nations." He said the Canadian dollar has fallen 15 per cent in relation to the American dollar in two years.

The Japanese yen had gone up 77 per cent in relation to the Canadian dollar, the British pound by 36 per cent and the Deutsche Mark by 51 per cent.

The Prime Minister said he would welcome a debate in Parliament on the dollar, but refused the committee inquiry.

AP-DJ adds from Ottawa: The Canadian Government's budget deficit widened 4.9 per cent to C\$576m in December from C\$549m in December 1977, Canada's Finance Department said.

Army chief wins contest for Algerian succession

BY SUSAN MORGAN IN ALGIERS

THE NOMINATION of Colonel Benjadid Chadli as Algeria's presidential candidate represents a victory for the army and the moderates. He would be the third President to be elected in 17 years of independence — and the first to be chosen democratically. The confirmatory vote by the Algerian electorate takes place on February 7.

Col. Chadli emerged as the army's compromise candidate after liberal support for Abdelaziz Bouteflika, the Foreign Minister, and radical support for the Left-winger, Mohamed Yahiaoui threatened to divide the country in the power vacum left by Houari Boumedienne's death last December. The difficulty was exacerbated by the fact that Boumedienne had appointed no Vice-President, Prime Minister or Defence Minister.

Boumedienne had succeeded in controlling Algeria's different political tendencies by force of personality and the party congress of the National Liberation Front (FLN) has clearly been anxious to avoid the in-fighting which plagued the republic soon after independence.

Col. Chadli's nomination is designed to neutralise left-wing and right-wing tendencies so as to maintain national unity and continuity. A known centrist and career army officer, he has not been associated with any particular faction.

He is in a strong position. As Head of State and the Army's candidate, he will enjoy its full support. But he has also been appointed secretary-general of the party, and thus controls the party structures. It is thought that Col. Chadli will maintain the same political line as Boumedienne for the time being although some observers believe that, in the longer term, greater liberalisation can be expected.

There is some talk of Col. Chadli's nomination as "transitional," but under the new statute, approved by the congress he will hold office for five years.

The choice of Col. Chadli rather than Mohamed Yahiaoui indicates caution in the army but it was clear at the congress yesterday that the choice was also popular with the younger elements—and 60 per cent of Algeria's population is under 25.

A moderate aiming at continuity

BY OUR ALGIERS CORRESPONDENT

BENJADID CHADLI, aged 49, who has been chosen to succeed Houari Boumedienne as President of Algeria, is regarded as a political moderate, not belonging to any group or faction.

His personality lies between the extremes of President Boumedienne's austerity and the playboy image of the Foreign Minister, Mr. Abdelaziz Bouteflika. Col. Chadli is known to enjoy a drink and a game of cards. He is also admired as a man of the people, equipped with common sense. His passion is sailing and has his own yacht.

Unlike Boumedienne, who lived in army barracks during much of his leadership, Col. Chadli owns a villa and is a shareholder in one of Oran's biggest hotels. He is the undisputed leader of western Algeria, which is virtually his personal fief after 15 years as military commander of Oran.

Col. Benjadid Chadli

Col. Chadli was born in 1929 to well-off parents in the village of Sebaa, near Constantine, in north-east Algeria. He joined the Maquisards a few months after the outbreak of the insurrection against France in 1955.

Initially he fought in the eastern region of Algeria before leaving for Tunisia two years later where he joined Boumedienne's headquarters at Ghardimaiou close to the border. He became close to Boumedienne who is said to have appreciated his common sense and military ability.

Because of growing antagonism between guerrillas inside Algeria and Boumedienne's troops in Tunisia, Col. Chadli was sent home to take control of the eastern region where he was arrested by guerrillas but escaped.

After independence he was involved in the plot which led to Ben Bella's replacement by Boumedienne in 1965. He has held a series of military posts. In 1963 he became military commander of Constantine and, a year later, military commander of Oran, a post he has held ever since. The command is important as it is close to the border with Morocco and contains the important petrochemical complex of Arzew. Col. Chadli became a member of Algeria's revolutionary council in 1965.

When Boumedienne was forced by illness to relinquish active leadership late last year, Col. Chadli became acting Chief of Staff. As Boumedienne's successor, he is the army's compromise candidate and is not expected to rock the boat.

In his speech at the National Assembly yesterday Col. Chadli spoke of the need to maintain the revoluion and said he would preserve Algeria's economic independence whatever the pressures. He stressed the solidarity of institutions and the need to assure continuity. As a political centrist, he clearly hopes to neutralise the country's opposing radical and liberal tendencies and to prevent instability.

However, Col. Chadli remains little known to the public at large who refer to him as White Hair, a reference to his white hair and moustache. He is also nicknamed "Jeff Chandler" because of his resemblance to the actor. He has been married twice and has several children. His present wife is 20 years his junior.

Janata unity threatened again

BY K. K. SHARMA IN NEW DELHI

THE SHAKY unity in the ruling Janana Party that seemed to have emerged just a week ago with the induction of Mr. Charan Singh as Deputy Prime Minister is now again threatened by a fresh crisis and a new confrontation among its factions seems certain.

The stage has shifted to the politically important State of Uttar Pradesh over the issue of the recent dismissal of four Ministers by the Chief Minister, Mr. Ram Naresh Yadav, who is known to be a follower of Mr. Charan Singh.

Among the Ministers in the Uttar Pradesh Cabinet dismissed—just a day after Mr. Charan Singh was taken into Mr. Morarji Desai's Cabinet—are those belonging to the Jana Sangh Faction which is now in conflict with Mr. Charan Singh's group.

The reason for the dismissal is not clear but there are strong indications that Mr. Yadav acted on Mr. Charan Singh's instructions and without consulting the Janata's other senior leaders. This has annoyed the powerful Jana Sangh faction which Mr. Desai must placate since he is dependent on its support

The Janata Party president, Mr. Chandra Shekhar, told reporters yesterday that "the time has come for hard decisions" and that "Mr. Yadav must realise that he is not indispensable." This suggests that the Janata leaders have decided not to protect Mr. Yadav if the Uttar Pradesh unit of the party rejects him.

This is likely since Janata legislators in Uttar Pradesh have demanded that Mr. Yadav should seek a vote of confidence.

Afghan rebels train in Pakistan

BY CHRIS SHERWELL IN ISLAMABAD

CAMPS inside Pakistan for refugees and exiles from neighbouring Afghanistan are being used by extremist Muslim resistance groups as guerrilla training centres in the prosecution of their war against the socialist regime in Kabul.

One such camp, north of here and only ten miles from the Afghan border, has Pakistan army guards attached to it.

The disclosure will complicate Pakistan's attempts to maintain a neutral stance on the question of the Afghan refugees, who have crossed into Pakistan in their thousands since the bloody coup which overthrew the Daoud regime last April.

Fighting in Afghanistan's mountainous eastern provinces has intensified and spread from Kunar and Nooristan provinces north into Badakhshan and west to Uruzgan.

Reliable reports received yesterday indicate that more bloody clashes have occurred in Parwan province, only 30 miles north of Kabul, involving the Afghan army with aerial support. Hundreds of soldiers and villagers are reported killed and wounded.

The number of refugees and exiles in Pakistan is officially acknowledged to be 20,000 but independent observers suggest the total is nearer 30,000.

CRISIS IN IRAN

Gulf monarchs 'have nothing to fear'

Michael Tingay in Doha reports on prospects for the Gulf after the changes in Tehran.

ARAB MONARCHS in the Gulf have nothing to fear from their citizens following the demise of the Shah, according to a leading Iranian mullah and supporter of Ayatollah Ruhollah Khomeini. Sheikh Bahaeddin of Shiraz, one of the visiting clergy from Iran who minister to Shi'ite Moslems in the Gulf, said this in an interview in one of Qatar's nine main Shi'a mosques.

He said that Arab rulers had shared their oil wealth while the Shah had made Iranians poorer. He explained: "This is my fifth visit to Qatar. Each time I come, the people possess more, whether they are Qatari citizens or not. In the Gulf, Arab leaders give medicines, hospitals and education. The Shah made us poorer as oil made him richer. He was a tyrant, worse than the 'Yazid'." (The Yazid was the Caliph who killed Imam Hussein, one of the holiest figures of the Shi'a sect).

Arab Governments in the Gulf are reexamining the positions of Iranians locally in case they become a security threat.

Expatriate Iranians are not homogenous. Gulf Iranians are categorised as follows: firstly, naturalised and un-naturalised; secondly, permanent or temporary residents; and thirdly, merchant class or labourers. In addition, distinctions are blurred by the fact that some Iranians are ethnic Arabs from south Iran and that Shi'ite-Sunni sectarian divisions are not necessarily a united community.

Estimates of numbers vary. In Qatar, the Government claims 28,000, but the Iranian community claims 40,000. These could be well established merchants in the souq or workers who have escaped the military draft. However, it does not include thousands of Qataris of Iranian origin, including some of the wealthiest men in the Arab world. Such rich merchants are an integrated part of society but they could never, for example, marry into the top Qatari tribes.

The same nuance is found in Bahrain, where conditions are quite different. Eight years ago the ruler of Bahrain sidestepped the Shah's claim to his Emirate by the "Bahrainisation" of Iranians who comprise at least half the population. Iranians there had to opt for Bahraini or Iranian citizenship. Most chose Bahraini status.

In Bahrain, where pictures of the Shah in shops are being replaced by portraits of Khomeini there is a division between prosperous and poor Iranians. Class distinction is important in the Emirate, which has the largest Iranian community in the Gulf and a Shi'ite majority.

Kuwait used to have the most Iranians, up to 200,000 in the early 1970s. This could explain a claim by Sheikh Bahaeddin that Kuwait is 40 per cent Shi'ite. (He estimated that Bahrain was 75 per cent, Abu Dhabi 20 per cent, Dubai 30 per cent, Iraq 70 per cent and Oman 50 per cent, including Ismaili sect members from Pakistan.)

Iranians left Kuwait in droves in 1975 for better paid jobs at home in the boom. The authorities have not been unhappy to see them dwindle to 40,000. This includes storekeepers, dockers, porters and labourers, but not thousands of naturalised Kuwaintis who are ethnic Arabs from south Iran.

Kuwait and other Gulf states have been quietly regulating the flow of Iranians by refusing work and residence permits since the big exodus began last year. These include Khomeini supporters avoiding army service, peasants and farmers squeezed by social pressures from the land, political refugees and merchant traders seeking better business conditions.

Most merchants have drifted to Dubai, a traditionally more cosmopolitan centre which alawys has had a large but uncounted Iranian community. Persian is heard on the streets, and pictures of the Shah (or nowadays Khomeini) were seen in the shops. There are enough to justify a large charitable Iranian hospital.

The Iranian embassy there claims only 10,000 Iranians. Many have Dubai citizenship but the figure is certainly an underestimate not least because of the influx of refugees in recent months.

Authorities have been sufficiently concerned about Khomeini supporters in Dubai to play down two sensitive facts: the large number of British and American businessmen who have come from Iran: the use of Jebel Ali docking facilities for transit storage of U.S. military equipment being rushed out of Iran.

Optimism renewed for a settlement in Namibia

BY MARTIN DICKSON

THERE IS growing but cautious optimism in Western capitals that almost two years of tortuous negotiations for an internationally acceptable settlement in Namibia (South West Africa) may be on the verge of success.

A target date of February 26 is understood to have been set for the first United Nations peacekeeping troops to set foot on Namibian soil, starting a seven-month transitional process leading to UN supervised pre-independence elections.

However, there must remain residual doubts that success really is in sight, given the major negotiating pitfalls which have arisen over the two years since five Western powers—the U.S., Britain, France, Canada and West Germany—launched their settlement initiative.

The five-power settlement proposals, adopted by the UN, provide for a ceasefire between South African forces in Namibia and the guerrillas of Swapo, the nationalist movement. This would be followed by the phased withdrawal of all but 1,500 South African troops, who would be restricted to two camps, and the holding of UN supervised elections.

Talks last month (January) between the South African Government and Mr. Martti Ahtisaari, the UN special representative for Namibia, have left at least two substantial problems still to be resolved.

One is the composition of the UN military force. A number of traditional contributors of contingents for UN peacekeeping operations are unacceptable to the South Africans, and similar objections might be encountered on the Swapo side. Although this problem should not be too difficult to resolve, it could make it difficult to get UN troops into Namibia by February 26. Yet the UN should get some presence on the ground before the end of February if it is to square South African demands that elections be held before the end of September and UN proposals for a seven month pre-election period.

A second problem is a South African demand that the UN monitor Swapo bases inside Angola and Zambia to ensure that the guerrillas observe a ceasefire.

Diplomats believe there is little or no chance of Angola and Zambia agreeing to a UN military presence inside their borders, but are hoping that some compromise, possibly involving civilian observers, will be possible.

Despite the current optimism either the South Africans or Swapo could still cause major problems or even abort the whole process.

Smith wins referendum backing

BY TONY HAWKINS IN SALISBURY

Smith 84.4 per cent of the votes cast in Rhodesia's constitutional referendum providing for a hand-over to a diluted form of majority rule in April.

A total of 67,847 votes were cast (a 71.6 percentage poll) of which 57,269 were in favour of the one-man, one-vote constitution and only 9,814 opposed.

Domestic reaction to the result has been mainly favourable though dejected right-wingers have described the outcome as a "mandate for chaos and disaster." It is expected that a significant proportion of the 9,800 voters who opposed the new constitution will emigrate in the next few months.

Black nationalist opinion inside Rhodesia has welcomed the result, but a discordant note was apparent yesterday when Bishop Abel Muzorewa's United African National Council called on the Prime Minister to resign immediately from the transitional Government now that the constitution had been accepted.

It said Mr. Smith's continued presence would jeopardise chances of international recognition, slow down efforts to end the war and create "a lingering feeling that he still runs the show."

There was mounting speculation in Salisbury that the Prime Minister will not step down as leader of the Rhodesian Front in April as had been generally anticipated.

● In London, the Foreign Office issued a statement saying the referendum was "no measure of the acceptability of the regime's constitutional proposals to the people of Rhodesia as a whole."

Better prospects for Japan steel

BY RICHARD HANSON IN TOKYO

JAPANESE STEEL production may be on the way to partial recovery as a result of domestic demand, despite continued sluggishness of exports.

The big steelmakers are planning increases in production for the January-March quarter slightly beyond what the Ministry of International Trade and Industry envisaged late last year. The Ministry is revising its guidelines for quarterly output.

The companies had originally planned production of 26.71m tons for the quarter compared with about 26.6m tons in the previous quarter. That is expected to rise to over 27m tons. If the January-March pace continues for the next fiscal year, output of crude steel could reach about 108m tons. That would be a 2 per cent increase over the Ministry forecast for next year which itself represents a 1.4 per cent rise over the forecast for the current fiscal year.

The industry is playing down any thought of rapid recovery. Japan has been hurt by a virtual end of shipments to Iran and is worried about the prospects of a mild recession in the U.S. market. China has emerged as the biggest export market but prices are not very profitable.

The domestic picture, however, allows for some optimism. While the large shipbuilding market continues at rock bottom, there appears to be a modest increase in orders for smaller ships. The motor industry is not expected to lessen its demand and the present level of public works spending will continue for some time.

Businessmen warned of legal pitfalls in Middle East

BY ANTHONY McDERMOTT

THE SECOND and final day of the Financial Times conference on business in the Gulf, held at the Grosvenor Hotel in London, yesterday concentrated on the technical problems faced by foreigners working there. An often-repeated theme was the need to expect a low level of experience among local professional services. This was an understandable problem in view of the extremely rapid development of the area's economies in the wake of increased oil prices.

Mr. R. M. Nelson, a solicitor, talking about how to avoid legal pitfalls, emphasised the paucity of local experience, of lawyers and the fact that Saudi Arabia, for example would not recognise a legal award made under the rules of the International Chamber of Commerce.

But like Mr. Tarek M. A. Shawaf, the president of Saudi Consulting Services, he emphasised the need for using local professionals. In an analysis of the legal, accounting and auditing, and consulting engineering professions in Saudi Arabia, he said that experience might be lacking. But a crucial contribution was know-how of local customs and interpretations of the law.

The increasing dependence on help from local businessmen has become more pressing as joint ventures—throughout the Gulf area—have become more fashionable and required in most of those countries by law. Dr. David H. Sambar, the chief executive of the Sharjah Investment Company, made this point in talking about the view from the Gulf of the Arab-European business relationship. He drew attention to the fact that business is a two-way affair, with many of the oil rich states seeking to boost their long-term incomes by major investments in companies in Europe and Japan.

Dr. Ziad H. Idilby, of the First National Bank of Chicago, analysed the structure and planning of commercial operations in the Gulf. He emphasised that, with the exception of Kuwait, "one particular area of deficiency has been, and continued to be, the lack of developed capital markets."

Although Kuwait still had its limitations its "capital market is well on its way to building up local investment opportunities, help expand the national base of the economy, and avail some breadth and flexibility to financial institutions, corporate treasurers and other investors."

Mr. Roger Azar, of Hill Samuel and Co., addressed the conference on "Inflation in the Gulf and its impact on business." He drew attention to the fact that in general the Gulf has become an extremely expensive place in which to live and do business, both for foreign businessmen and local inhabitants.

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CONFERENCE

But the inhabitants of the Gulf were caught between not being equipped in adminstrative terms to deal with inflation and by the fact that Western countries were not, for obvious reasons, that keen to curb the spending of Gulf states.

He concluded "the will to develop and industrialise these countries is as strong as ever and the experience gained from the previous galloping inflation and a closer political integration of the Gulf due partly to the uncertainty in Iran, makes the economic prospects in that part of the world much brighter than most Western observers are willing to admit."

Mr. Gerald Morley of Chase Manhattan Bank made a detailed presentation of the development of offshore finance in the area. He forecast that on the assumption of stability in the area, the growth of offshore banking units (OBUs) in Bahrain would continue.

The consultant's view was given by Mr. H. Ridehalgh of Sir William Halcrow and Partners. In a review of developments in different countries, he emphasised that "recent events (in Iran) serve to emphasise the problems associated with forecasting future prospects in the Middle East and in the Gulf in particular." Nevertheless he remained confident that "the Gulf still holds a tremendous potential for the British market."

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WORLD TRADE NEWS

$38m loan agreed for Indonesia

The Export Credits Guarantee Department has guaranteed the repayment and funding for a $38.25m (£19m) loan which Morgan Grenfell, acting on its own behalf and for a syndicate of banks, has made available to the Department of Finance, Republic of Indonesia.

The loan will help finance the contract awarded to Lummus by PT Pupik Kalimantan Timur for the supply of project and construction management, engineering, design, procurement, transportation, construction and commissioning services for the East Kalimantan fertiliser plant. The plant is due to be commissioned in early 1982.

The banks in the syndicate are the Chase Manhattan Bank NA, Morgan Grenfell (Asia), Banque de Paris et des Pays-Bas, Bank Bumitra Malaysia Berhad and the Tokai Bank.

Uruguay picks Kellogg

The Pullman Kellogg division and Kellogg Pan American have been awarded contracts for design, engineering, procurement and construction advisory services for upgrading a 5,000 barrel-a-day fluid catalytic cracking unit in Uruguay, Reuter reports from Chicago. The contract, of undisclosed value, was awarded to Kellogg by the Administration Nacional De Combustibles, Alcobol Y Portland, which operates the La Teja refinery in Montevideo.

Swiss arms sales drop

Swiss arms exports dropped in value by 17 per cent last year to SwFr 426m, writes John Wicks in Zurich. According to figures released by the Federal Defence Ministry, the major market remained West Germany, although sales fell from SwFr 216m to SwFr 128m over the year.

Other leading customers included Spain, with SwFr 80m (SwFr 55m), Holland with SwFr 54m (SwFr 51m) and Italy and Austria with SwFr 38m each.

Haferkamp for Tokyo

The EEC External Affairs Commissioner, Mr. Wilhelm Haferkamp, is to visit Tokyo from February 19 to 24 to discuss ways of reducing Japan's trade surplus with the EEC, Reuter reports from Brussels. A Commission spokesman said Mr. Haferkamp's visit follows his inconclusive talks here last week with a Japanese delegation at the 98-nation GATT talks (Tokyo round) in Geneva.

Tokyo concern over imports of medical equipment

BY OUR TOKYO CORRESPONDENT

THE JAPAN Medical Appliances Association has appealed to the Ministries of Health and Welfare and Education to act cautiously on emergency imports of medical appliances.

Japanese medical electronics manufacturers are particularly concerned since medical appliances are expected to be one of the major products which the Government sponsored import promotion mission will be looking at during the visit to Britain and Ireland at the end of next month.

In accordance with the Government's emergency import measures large quantities of U.S. medical electronics have been flooding the Japanese market since last autumn and have begun to have a considerable impact on domestic manufacturers. The Japanese industry now fears a further incursion by British products and are asking the Government to give careful consideration to imports of such items. The petition has been prompted by the recent government announcement that the emergency import scheme will be extended into the 1979 fiscal year.

The Japan Medical Appliances Association and the X-ray Appliances Industry Association, jolted by the emergency imports of medical electronics, have started research into the ill-effects on domestic industry.

According to the industry it has been made a scapegoat on several previous occasions. For instance a large number of EMI brain scanners were imported during 1975-1976 following the Queen's visit to Japan, in an attempt to improve the imbalance in UK-Japan trade. And currently, as part of the Government's measures to trim Japan's trade surplus medical electronics were included in the emergency import programme because of their high unit cost.

Japan scraps watch parts pact

BY YOKO SHIBATA IN TOKYO

JAPANESE crystal oscillator manufacturers, who were accused of dumping crystal oscillators used in watches, are about to scrap unilaterally an agreement on setting "basic prices" with the European Community set in February 1978.

Japanese manufacturers are protesting that European manufacturers (having recovered after the conclusion of the basic price agreement) have dominated the entire market with prices much lower than the basic prices promised in the bilateral pact.

As a result, Japanese manufacturers say they have been completely crowded out of the market.

The original dumping charges were filed by Standard Electric Lorenz (West German subsidiary of the ITT of the U.S.) to the EEC Commission against 22 Japanese manufacturers.

These included Nippon Denpa Kogyo and Toyo Tsushinki.

The resulting Commission investigation cleared the Japanese manufacturers of dumping but they were required to agree to a contract which set "basic prices."

According to the Japanese manufacturers, they were obliged to mark up prices by 20 per cent and in the meantime European manufacturers increased production and their share of the market.

The Japanese industry intend to scrap the bilateral agreement as of February 8 — 20 days earlier than the original expiration dates.

Finland cuts import volume

BY LANCE KEYWORTH IN HELSINKI

THE FINNISH foreign trade surplus in 1978 was FM 2.9bn (about £367m), according to preliminary figures from the board of customs. Related to the value of total exports, this is the biggest surplus recorded since the Korean war boom of 1951.

It compares with a surplus of FM 233m in 1977 and a deficit of FM 4bn for 1976.

This surprisingly good result is due not only to firmer export demand but also to the slow growth of imports last year. Imports grew by 5 per cent in value to FM 32.3bn. As import prices rose 11 per cent during the year, the volume of imports actually diminished by 5 per cent.

The balance on current account was also much higher than had been expected and stood at FM 2.3bn at the end of 1978, 1.7 per cent of the GDP, compared with deficits in 1977 and 1976 equal to 0.6 and 4.1 per cent, respectively, of the GDP.

There is also expected to be a surplus this year for the trade and the current account balances, but the totals will be smaller as the growth rate of imports will accelerate and that of exports decelerate.

According to the survey by the economic division of the Ministry of Finance, total production is expected to grow by 4-5 per cent in 1979. The growth rate of inflation as measured by the December-to-December consumer price index was halved in 1978 to 5.9 per cent, and the increase in 1979 is not expected to be much more than this.

The one blemish in this otherwise encouraging picture of the upswing in economic activity in Finland is unemployment.

The Government's stimulation programmes may help to bring this down from the current annual level of about 8 per cent to around 6.5 per cent by autumn 1979.

Trade talks for African Ministers

By Our Norwegian Correspondent

AFRICAN TRADE Ministers are meeting in Addis Ababa to prepare their position for next week's meeting of the Group of 77—the world's developing countries in the United Nations Conference on Trade and Development (UNCTAD) — in Arusha, northern Tanzania.

In a message to the African Trade Ministers, the Ethiopian military leader, Colonel Mengistu Haile Mariam, urged them to take concrete steps to restructure existing international economic relations which are incompatible with balanced world economic development.

He cited low prices for raw materials, exhorbitant prices for manufactured goods from the developed countries, and rampant inflation as factors hampering the progress of developing countries.

He called for more developed countries to ease the debt burden of the poor countries, but attacked those nations which, he said, applied "non-economic factors" in deciding whether to cancel debts.

Mr. Edem Kodjo, Secretary-General of the Organisation of African Unity, told the meeting that it was time for African countries to form a united economic community.

● Kenya and Czechoslovakia are due to sign a three-year agreement formalising trade relations between the two countries. Mr. Andrei Barcak, the Czechoslovak Foreign Trade Minister, who arrived in Nairobi yesterday, said he would have talks with Kenyan officials before signing the agreement with Mr. Eliud Mwamunga, the Kenyan Minister for Commerce and Industry, tomorrow.

U.S. CHINA BUSINESS

Congress holds the key

BY OUR CHICAGO CORRESPONDENT

POLITICAL AND diplomatic exchanges between China and the U.S., such as the current visit of Vice-Premier Mr. Deng Xiaoping, seem set for a boom following American recognition of the Peoples' Republic. But foreign trade executives and some Government officials are less sanguine about any beneficial effect on the volume of bilateral trade at least in the short-run.

As support for their less-than-buoyant expectations, they cite such matters as the assets frozen in both countries, the heavy duties imposed on imports from China and its current inaccess to credit or loan guarantees from the U.S. Export-Import Bank. Businessmen also note the competitive advantage enjoyed by the Japanese, British, West Germans, Italians and French.

Technology services

Over the past few years, the U.S. has shipped millions of dollars worth of wheat, corn and cotton to China and several American companies have sold high technology services, factories and pieces of agricultural and construction equipment to the Chinese despite the political and financial constraints. At the same time, the U.S. has imported foodstuffs and textiles.
food stuffs and textiles.

But since China has embarked on a multi-billion-dollar drive to industrialise and to modernise its agricultural production, U.S. businessmen and government officials hope the Chinese will source a good portion of their equipment and technology needs in this country.

Although the Commerce Department projects the dollar volume of trade with China will hit $1.6bn in 1979, which is less than 1 per cent of total U.S. foreign trade, China is considered a new market with unknown potential —if, that is, Japanese and European competitors have left any room for U.S. companies.

One trade official from the Commerce Department warns that American companies face a long struggle to catch up with these competitors. And without the removal of trade barriers, he said, it will be even more difficult.

The U.S. Congress will ultimately decide if the Chinese can receive Most Favoured Nation status. This would lower the tariffs on the goods sent here by at least 200 per cent to 300 per cent, making Chinese products more competitive in the U.S. and net the Chinese much-needed foreign currency to pay for imports from the U.S. But because Chinese exports are now relatively limited to small, inexpensive items, the dollars earned would not suffice to fund China's long-term buying plans. So the purchase of U.S. machinery and technology may well depend on China's ability to borrow in the U.S.

Here, too, Congress will determine whether the Export-Import Bank can offer China finance opportunities granted to other "friendly" nations. According to Mr. Robert McCullough, director of international marketing services at FMC Corporation, the diversified conglomerate, and president of the International Trade Club of Chicago, export credits will be the most significant factor in trade relations between the two countries.

Yet few people expect Congress will hastily award China these benefits. A strong pro-Taiwan lobby still pervades Capitol Hill and technicalities in the Trade Act of 1974 pose another stumbling block. The Jackson-Vanik amendment to the 1974 Act stipulates that no country shall receive Most Favoured Nation status or be eligible for credit or guarantees from the Export-Import Bank unless they allow free emigration or provide "assurances" of their intent to do so in the future. Government officials and business executives suggest the Jackson-Vanik amendment may be the primary obstacle to expanding trade with China.

An attempt to override Jackson-Vanick in China's favour failed in Congress in 1977, although the Agriculture Trade Act of 1978 permits the Commodity Credit Corporation to extend export credit to China for certain agricultural products.

Quicker pace

Unless the legal situation changes, most traders say political recognition means business dealings with the Chinese will proceed at only a slightly quicker pace than in the past few years.

Although American business executives recognise their competitive disadvantage in China, most seem reluctant to castigate the U.S. Government for its minimal initiative in the area of foreign trade. Certainly, they favour extending Export-Import Bank privileges and Most Favoured Nation status, but they rarely suggest other kinds of active intervention.

Their diffidence is partly ideological and partly situational. Many American executives believe government interference distorts the market. So the less government involvement in the economy, the better off everyone will be.

In addition, America has historically not been dependent on the money earned through foreign trade. But expediency may win out, with the balance of payments in the red, exporting seems ever more necessary. This may ultimately catalyse the business community to lobby for direct Government aid programmes.

Russia to increase oil supplies to Hungary

BY PAUL LENDVAI IN VIENNA

HUNGARY WILL this year purchase about 10m tons of Soviet crude and petroleum products as against some 8.5m tons last year.

The Soviet Union, since 1977, has maintained contractual crude deliveries under the annual trade agreements at roughly the same level of 7.3m tons.

This means that for the balance of some 2.7m tons had to be paid for in hard currency. The Soviet union will satisfy some 75 per cent of the total demand for liquid fuels this year.

As a result of the completion of the Orenburg gas pipeline, Hungary will this year import almost 4bn cubic metres of natural gas as against 1bn cubic metres last year. The completion of a new power grid will mean that some 6.1bn kWh of electricity will be imported this year.

In all, Hungarian-Soviet trade will increase by 8 per cent to a total of 4.8bn compared with 1978. The soviet deliveries cover 92 per cent of the total demand for iron ore, of 83 per cent for phosphate, of 66 per cent for sawn timber, 55 per cent of demand for cotton, and 51 per cent of synthetic rubber.

OECD steel committee launched

BY TERRY DODSWORTH IN PARIS

THE NEWLY formed OECD steel committee was described yesterday by its first chairman, Mr. Alan Wolff, as an "ambitious" attempt to influence national decisions on the development of the steel industry before those decisions were taken.

Mr. Wolff, the U.S. Deputy Special Representative for Trade, said that at an international level there were clear difficulties in dealing with issues such as industrial restructuring and financial aids because these decisions fell within the sovereignty of individual countries.

He was hopeful, however, that "for the first time we shall be able to address these questions as policies are being formalised" and see that the views of other countries were being taken into account.

The steel committee's work will involve collating reports from member countries on the development of their industries. This information will then be freely available to other member countries.

India to boost engineering sales abroad

By K. K. Sharma

A STRONG delegation from the Confederation of British Industry and the Birmingham Chamber of Commerce and Industry is among the visitors from 12 major countries who will attend the third Indian engineering trade fair beginning in New Delhi on February 2.

The fair, which has now become an annual event, is being organised by the Association of Indian Engineering Industry (AIEI) in co-operation with the Government.

A strong representation of about 100 buyers is expected from the European Economic Community which is sending a delegation to tour the country while the fair is in progress. It will take part in a seminar on "Industrial co-operation between India and the EEC countries" being organised by the Engineering Export Promotion Council on February 6 and 7.

The seminar will seek to acquaint EEC buyers with export capabilities of Indian engineering enterprises in various product areas and with the types and nature of giant projects in India and other countries being undertaken by Indian companies on a turnkey or sub-contracting basis.

Efforts are also to be made to discuss with EEC buyers and prime contractors the possibilities of obtaining their requirements from India and their associating Indian companies in third country projects on a sub-contracting basis.

Distributor loses BMW franchise

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TOZER Kemsley and Milbourn (*Holdings*) is to lose its BMW car and motor cycle franchise in the UK from January next year. In 1977 these operations accounted for about £3.2m of TKM's total pre-tax profits of £5.8m.

The West German manufacturer, Bayerische Motoren Werke, will from 1980 handle its own importing and distribution and is spending £6m on a headquarters and parts centre at Bracknell, Berkshire.

Last year 10,506 BMW cars and 2,518 bikes were sold in Britain. This year it aims to sell 13,000 cars and 3,300 bikes, increases of 23 per cent and 30 per cent respectively. BMW expects car sales in the UK to reach 20,000 a year by 1985.

Mr. Ken Thorogood, executive chairman of TKM, a London-based international finance and trading group, said last night that he expected the group's profit growth to continue in 1979 and for there to be no dip in 1980 despite the loss of the BMW franchise.

TKM will retain and expand its four BMW retail and service outlets which account for about 15 per cent of BMW's retail business in the UK. The results of these operations were not included in the £3.2m. profit figure but profits from the personal export sales business—800 cars last year and which TKM will also retain—were included.

BMW already owns its import distribution organisation in the U.S., France, Belgium, Italy, Switzerland, Austria, the Netherlands and Australia—the latter two were added earlier this month.

Explaining the group's policy, Mr. Hans-Erdmann Schönbeck, BMW sales director, said: "No car maker, particularly in a high-wage country like Germany, can afford to have two profit levels, one through wholly-owned subsidiaries and one through franchises.

"In bad years we could, if we own our distributors, opt to break even in export markets so that we can keep production going and make our profits at the production level. But we could not ask a franchise to accept no profits, or not for long anyway."

BMW has offered to take on all the TKM employees affected by the change. Mr. Anton Hille, managing director of BMW Concessionaires GB, has, however, decided to stay with TKM's automotive division. The new managing director will be Mr. John Wagner, 46, who has been managing director of companies importing Volvo and Audi cars.

TKM's other automotive operations are all improving their performance, said Mr. Thorogood. They include the distribution throughout France of Mazda vehicles (from Toyo Kogyo of Japan); a 40 per cent stake in the company which imports Mazda vehicles, the Polski Fiat and the Polonez from Poland into the UK; UK distribution of Jeep and Daihatsu four-wheel-drive vehicles and, in partnership with Lonrho, the group which will sell Volkeswagen and MAN commercial vehicles in Britain.

TKM's share price slipped 2p to 48p after the news last night.

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Council inquiry into £2.7m loan

By Michael Cassell, Building Correspondent

THE Greater London Council is to hold an all-party inquiry into its dealings with the Helix Housing Association, from which it is seeking the repossession of 41 properties.

The GLC has lent the association £2.7m and claims that it is owed substantial mortgage arrears and that Helix has not met some of the other conditions attached to the loans. The Housing Corporation, which has lent £2m to the association since 1974, is also attempting to secure repayment of loans outstanding and is considering repossession of some properties.

Mr. George Tremlett, chairman of the GLC housing policy committee, said yesterday that almost £30,000 of the £105,000 in mortgage arrears owed by Helix, which is not a registered housing association, had been repaid this week.

Mr. Tremlett, who said he was "*astonished*" that the GLC could lend money to an association which had not produced audited reports, emphasised that he had seen no evidence to suggest impropriety.

The inquiry members will be Mr. Geoffrey Aplin, chairman *of the GLC housing development* committee, Mrs. Jean Tatham, chairman of the housing management committee, and Mrs. Gladys Dimson, Labour opposition housing spokesman.

New MLR rise may be unavoidable—Barclays

BY DAVID FREUD

A FURTHER rise in the minimum lending rate may be unavoidable, according to Barclays Bank. At the very least, interest rates are likely to stay at current levels.

However, in its latest economic circular the bank says it is difficult to see what a further rise in interest rates *alone will achieve*, given the more broadly-based nature of Britain's present problems.

"The effect of higher interest rates on demand for advances is not relevant for the short term, where the disruptions to corporate cash flows caused by the industrial crisis are likely to be the dominant influence. Similarly, an incipient funding problem is unlikely to be solved by a further upward movement in rates alone."

Barclays also says that the *target range for monetary* growth should be lowered because various distortions, principally the official corset controls on bank lending, are artificially depressing the expansion of the money stock.

According to the bank: "Whatever *target was considered* appropriate for sterling M3 without the existence of a corset, therefore, should now be lowered."

City stockbroker Capel-Cure Myers, expects average earnings to increase by slightly more than 12 per cent over the current wage round, which will take the rate of inflation back into double figures by the middle of this year.

The firm says that even on this low inflation assumption there is bound to be a loss of competitiveness and some pressure on the pound. As a consequence it expects gross domestic product to grow by 2.5 per cent this year compared with 3.3 per cent in 1978. The balance of payments should be only just in surplus.

City stockbrokers Simon and Coates says the Government faces a choice between continued defence of some sort of pay norm and a concerted attempt to settle the bulk of the wage round near the going rate of 14-15 per cent. Neither is politically attractive and both could backfire.

The firm says: "If the low-paid bear the brunt of the tougher policy, *they are still* virtually certain to receive an increase in double figures while Ministers will have weeks of disruption in sensitive areas and and the political odium of the strong and the ruthless being seen to gain at the expense of the weak and low-paid."

Selective schools 'better'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

COMPREHENSIVE SCHOOLS in Manchester produce markedly worse results in the national examinations than do the selective secondary schools of the neighbouring Tameside area, according to statistics issued yesterday by Mr. Raymond Baldwin, a member of Manchester education committee.

Tameside is planning comprehensive reorganisation as required by the Education Act, 1976.

Mr. Baldwin's figures show that, in comparison with pupils of Manchester's comprehensives in 1977, children in Tameside's selective schools gained 23 per cent more pass grades at G Ordinary level or equivalent.

In modern languages they were 41 per cent more successful; in English 34 per cent; and in mathematics 29 per cent.

Industrial architects' contest opens

By James McDonald

APPLICATIONS ARE now invited for the 1979 Financial Times award for an outstanding work of industrial architecture.

The aim of the annual award, the thirteenth, is to encourage industrial building and engineering works.

Aesthetic suitability is of equal importance in those areas which remain agricultural and where development of farming techiniques demands buildings of an unfamiliar kind.

In places where industry has not previously penetrated, whether on sea and lake shores, on river estuaries or in New Towns, the impact of new industrial building is of prime importance.

The architect assessors this year are Mr. Trevor Dannatt and Mr. John Partridge, with the lay assessor Sir Charles Troughton, chairman of the British Council.

Applications must be received by May 4.

Application forms can be obtained after February 12, from the Financial Times, Bracken House, 10, Cannon Street, London, EC4. Envelopes should be marked "Industrial Architecture Award."

£100m scheme to aid BL car dealers

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A NEW £100m finance scheme for distributors and dealers of BL cars will reinforce the present strong recovery in the group's home market share, Mr. Michael Edwardes, chairman, said yesterday.

The scheme, in which the National Enterprise Board will play a major part, will enable about £70m on deposit with BL Cars to be released to dealers who should be able to use the cash more profitably.

It was heartily welcomed by dealers. Mr. Ron Carbutt, chairman of the BL Cars Dealers Council, commented: "The new scheme is superior to existing arrangements and represents a considerable advantage to the *distributors and main dealers in* the flexibility available to them in financing their businesses."

Until now dealers have had cash on deposit with BL Cars, the amount based on a percentage of forecast sales. The system has caused severe difficulties to smaller distributors as car prices have risen rapidly and they have been called on to "top up" their deposits.

A new organisation, Wholesale Motor Finance, will provide credit on commercial terms for about 700 dealers and bring BL into line with almost every other car group operating in the UK. The main exception is Ford, which still has a deposit system.

Mr. Edwardes said: "The scheme comes at a crucial period in BL's recovery programme, when the showrooms are well stocked and morale has improved considerably. It has something for everybody. The dealers get off balance sheet financing arrangements at very competitive rates which gives them extra profit to expand their businesses; BL has access to more finance than under the existing stock deposit scheme; and the institutions involved and the NEB have a sound investment in a commercial undertaking that will realise good returns."

Shareholders in WVF, which is providing £12.5m of the initial £100m funds, are the NEB, with 75 per cent, and the finance house United Dominions Trust, the Post Office Staff Superannuation Fund and the National Coal Board Pension Fund, with 7.5 per cent each.

Borrowing facilities totalling £87.5m have been made available—£84m by way of an aceptance credit facility—by a group of City banks arranged and managed by N. M. Rothschild and Sons, the merchant bank responsible for initiating the project.

Chairman of WVF is Mr. Alfred Singer, chairman of the trustees of the POSSF. The managing director, seconded to the new company from UDT, is Mr. Peter Bertram, a chartered accountant who was UDT's regional director in the Midlands and formerly a director of the merchant banking arm.

Men and Matters, Page 24

Hong Kong link

–London solicitors Stephenson Harwood, who celebrate its 150th anniversary this year, is forming a partnership with the Hong Kong firm of Lo and Lo. The joint firm will be called Stephenson Harwood and Lo.

Prince Charles to meet City and union leaders

PRINCE CHARLES will spend a day with the Prime Minister, keep engagements in the City, and meet union leaders as part of his official programme for the next six months, released by Buckingham Palace today.

He will also pursue his growing commitment to youth and community work, find out more about the media and keep up his interest in the arts.

It is the first time so many of the Prince's engagements have been announced at one time—there are 77 appointments in the Royal diary and the eight planned visits abroad.

The Palace said he would seek out engagements, which reflect his particular interests such as the industrial and City programmes, and planned days aboard a trawler—which was very much his own idea following a visit to Hull and Grimsby last year.

The visit to the London headquarters of the Amalgamated union of Engineering Workers on June 8 is one of 16 engagements connected with aspects of industry.

The Prince is to speak at the annual conference of the Association of Head Teachers in Norwich on May 28.

One of the highlights of the programme is a planned visit to No. 10, Downing Street on February 13.

Six dates have been set aside for the Prince to start familiarising himself with the work of the City. No specific programme has yet been fixed but it is bound to include banking and insurance interests.

Reflecting his interest in sport, Prince Charles will attend the F.A. Cup Final, meet cricketers at Buckingham Palace, and commission a 12-metre yacht for the 1980 America's Cup.

Scottish jobs outlook bleak, says university

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A GLOOMY picture of rising unemployment and falling investment in *Scotland is forecast* in an economic study published yesterday by the Fraser of Allander Institute at Strathclyde University.

The limited expansion caused by an increase in consumption last year is unlikely to be repeated, says the institute.

With inflation rising in response to high wage settlements, and no scope for tax cuts, real incomes will increase by much less than in 1978.

Unemployment will be pushed up by the present wave of industrial trouble, which is cutting production and will fuel inflation.

Employers will be deterred from investing by the present high interest rates and the decline now being seen in corporate profits.

Some form of deflationary package looks certain, in spite of its electoral unpopularity and effect on unemployment.

Quarterly Economic Commentary, Fraser of Allander Institute; 100, Montrose Street, Glasgow; £1.

Net borrowing

YESTERDAY'S report on a sharp rise in borrowing by local authorities was misleading due to a printing error in the Central Statistical Office's Financial Statistics. Total net borrowing in November was minus £145m, not £145m, as stated. This means that net borrowing over October and November was £116m, only slightly higher than in the previous two months and half the level of the same period in 1977.

Screens 'cause no harm to eyes'

By David Fishlock, Science Editor

VISUAL DISPLAY units, the TV-like screens associated with many computer-based office and factory activities, cause no harm to the eyes provided they are installed properly.

This is the conclusion of an investigation undertaken by the Association of Optical Practitioners, representing over 4,000 opthalmic opticians in Britain.

One of the industries studied was newspapers, by arrangement with the print unions' joint health and safety committee, because the industry foresees widespread use of VDUs in newspaper offices as a key part of the new technology.

Two opthalmic opticians, Mr. Sam Rosenthal and Mr. John Grundy, undertook the survey, interviewing people using VDUs at work and also their own patients. Mr. Rosenthal's practice at Bracknell is in an area where VDUs are quite common.

In spite of complaints of eye-strain, headaches and tiredness they found no evidence of damage or harmful effects on eyesight as a result of using a VDU.

But they recommend certain testes that should be made on eyesight before a person is selected for training to work with a VDU. Up to one-third of employees, they find, have uncorrected or insufficiently corrected visual defects.

They recommend that careful records be kept on the eyesight of VDU users. They claim a strong case for employers to have an ophthalmic optician on hand as consultant where the use of VDUs is widespread.

They also stress that great care should be given to the design and siting of the VDU, and make recommendations on the working conditions for a user.

The report points out that although VDUs have been used for many years—for example, in military equipment since the Second World War—they have aroused little comment as a health hazard until recently.

VDU's nightmare to the operator. Available free from the Association of Optical Practitioners, Bridge House, 233 Blackfriars Road, London SE1.

Microelectronics 'will employ at least another 15,000'

BY MAX WILKINSON

AN EXTRA 15,000 to 18,000 microelectronics industry as a consequence of the investments now planned, says a National Economic Development Council working party in a report out today.

The progress report by the Electronic Components Sector working party, warns, however, that demand for highly skilled workers in the semiconductor industry may well outstrip supply.

Of the new jobs created, it says some 4,000 will be for well qualified scientists and engineers. But it adds: "The current and growing shortage of skilled personnel in the electronics industry and, in particular the semiconductor industry represents one of the critical constraints on expansion.

"Over the coming five years, the demand for qualified scientists and engineers with knowledge of microelectronics will increase sharply .....as companies compete for experienced staff.

"Current pay and salary restrictions and the erosion of differentials are not helpful in the recruitment and retention of technically qualified staff in key areas. All the user industries depend heavily on the success of this particular industry which must therefore be considered a priority sector.

"Resolution of this specific issue cannot wait until the Government succeeds in tackling the more general question of pay determination."

The report shows that the components sector had total sales of £932m in 1977, an increase of 19 per cent on the previous year. However, imports increased by 30 per cent, and the trade deficit for the sector increased from £13m in 1976 to £42m in 1977.

In the same period import penetration of the UK market increased from 59 per cent to 63 per cent.

Projections

"The main changes since last year in the underlying assumptions are that the UK market will grow faster and exports more slowly than anticipated 12 months ago," the report says.

The working party provides three possible projections for 1980. On the most pessimistic assumptions, UK output will grow only to £1.18bn, import penetration will increase to 72 per cent, with an adverse trade balance of £300m, and employment in the industry would decline from 129,000 in 1977 to about 100,000.

On the more optimistic assumption, UK output will rise to £1.4bn, import penetration will be held at 54 per cent and the trade deficit at £64m, while employment will remain unchanged, or decline to 114,000 depending upon the increase in the industry's productivity.

This more optimistic projection is adopted by the working party as its target for the industry.

Figures show a continuing deterioration of the trade balance for two of the most important categories of components, TV picture tubes and integrated circuits. Between 1963 and 1977, the adverse balance for integrated circuits increased from £15m to £46m. For television tubes the figures were £26m and £35m.

The report recommends that technical collaboration between integrated circuit manufacturers should be encouraged wherever sensible to keep pace with competitors in the U.S. and Japan.

The working party is not opposed to the National Enterprise Board's new integrated circuit venture through its subsidiary INMOS, but it says the NEB should co-operate more with the working party by giving it at least as much information as private companies.

The working party considers setting up a new company as a "green field" operation from scratch as the riskiest of three main possibilities for improving UK output. However, it says that it has "never taken the view that risks as such should be avoided."

Key technology

The two other possibilities for obtaining part of the international market for standard integrated circuits are investment by an existing UK-owned company in the field. In the event, GEC decided upon a joint venture with Fairchild of California.

Finally, the working party strongly endorses the views of the Advisory Council for Applied Research and Development, which said that microelectronics was one of the key technologies for the future. It says: "If we reject or neglect it as a nation the UK will join the ranks of the under-developed countries."

Laker to sign £175m deal for 10 Airbuses

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SIR FREDDIE LAKER, chairman of Laker Airways, expects to sign the £175m contract for 10 wide-bodied European Airbuses by the end of February, and to take delivery of the first by the end of next year.

Sir Freddie, on a visit to the Toulouse factory of Airbus Industrie, said that he was planning "a substantial increase" in his business in the next few years, although he did not disclose his plans.

But he said that his competitors in the package-tour holiday and charter markets who are buying smaller Boeing 737 aircraft "will not know what has hit them in the next five years."

The traveller wanted the greater space in the new generation of wide-bodied jets, such as the 250-300-seat A-300 Airbus and the 200-seat version, the A-310.

Sir Freddie said he would have liked to see "a lot more British bits" in the Airbus, for which British Aerospace makes wings.

"But it is an aircraft of outstanding quality. I was completely wrong when I said seven years ago that, at a joint venture by European governments, it would fail."

Sir Freddie said he could have chosen Rolls-Royce RB-211 engines for his Airbuses, but selected the U.S. General Electric CF6-50s instead.

That was because £25m would have had to be found to instal RB-211s on the Airbus. "Airbus Industrie would not pay, and neither would Rolls-Royce, and it certainly was not going to be me."

By selecting General Electric engines, Laker Airways would have the same engines as in its fleet of McDonnell Douglas DC-10 tri-jets.

Airbus Industrie, which includes French, West German, Dutch and Spanish companies in addition to British Aerospace, believes that in the coming year it will sell at least as many Airbuses as last year, when it won firm orders for 70 aircraft with options on another 27, worth in all nearly £1.5bn.

The Laker order will bring sales of the Airbus so far to 133 aircraft for 20 airlines, with options for another 53 aircraft.

Airbus Industries has delivered 59 Airbuses, and is planning to increase production this year from the two to three a month, and to four a month in 1980. If demand increases, the organisation could expand production to between eight and 10 aircraft a month by 1984.

Airbus Industries is confident that this demand will emerge. Its forecasts indicate that by 1992 there will be a world requirement for 2,400 airliners of the A-300/A-310 short-to-medium range type, resulting from a tripling of the present level of air passenger traffic.

Its ambition is to win at least a third of that market, or

Ashley Ashwood

Sir Freddie Laker: "A substantial increase"

about 800 aircraft. It says that its existing 20 airline customers will require about 380 Airbuses by the early 1990s.

● Lord Beswick, chairman of British Aerospace and a director of Airbus Industrie, emphasised yesterday the need for more constructive discussion between all aviation interests in the UK in settling new programmes.

While British Airways should not be compelled to buy British aircraft, it was planning to spend £1.5bn on foreign aircraft. That made him wonder "if Britain's balance of payments is quite as buoyant as that commitment implies."

There ought to be more constructive discussion between the publicly-owned airline and aircraft manufacturer than there had been in the past

Demand close to CEGB capacity

BY JOHN LLOYD

DEMAND FOR electricity over the prolonged cold spell has aproached the limit of the Central Electricity Generating Board's capacity.

On three days—December 19 and January 4 and 5—demand exceeded 44,000 megawatts, and spare capacity was down to about 1,000 MW.

On the peak January days, the CEGB "imported" 1,000 MW from the South of Scotland Electricity Board. The Board's difficulties were increased by the "freezing" of coal stocks through industrial action.

While the Board believes that it could cope with even colder weather—it reckons that a drop of 1 degree C increases demand by about 600 MW—it is anxious to show that its margins are comparatively slim, and that there is no question of over-capacity on the system.

The notional full capacity of the CEGB system is 56,000 MW, but the Board points out that actual plant availability on any given day can reduce this by up to 25 per cent.

Some 2,000 MWs of old plant is currently "cold," and would require some weeks to be brought into the system.

Recent figures on plant availability show that, for example, only 77.4 per cent of capacity was operating on January 2, while on January 22, 88.7 per cent of plant was available.

The board thinks it unlikely that it is near a system breakdown, as recently happened in the French electricity system.

Over the coming year, the CEGB estimates a rise in the bulk supply tariff—the price it charges the area boards for supplying them with power—of about 9 per cent.

The board believes that it is in a relatively strong position on coal and other stocks in the event of industrial action by mineworkers in support of their pay claim.

Current stocks of coal are standing at 13.7m tonnes, enough for nearly eight weeks at the current rate of consumption.

Clerical staff earn 8.4% more

BY LISA WOOD

THE REAL VALUE of take home pay of secretarial and clerical staff rose by 8.4 per cent during the 12 months to October 1978, according to a survey published yesterday by the statistical services division of the Alfred Marks Bureau.

Covering the quarter from September 1 to November 30, 1978, it said the increase reflected the overall reduction in inflation and the continuing short supply of office staff, which continued to push up salaries.

Mr. Bernard Marks, chairman of Alfred Marks, said: "Our October survey revealed record office staff incomes."

The all-age, all-category, average London salary for office staff is now £59 per week (£3,068 per annum). According to the figures from September to November, demand for office staff was 29 per cent greater than in the same period of 1977.

Central London secretaries continue to be the highest paid in the UK, with an experienced secretary earning on average £72 a week. Staff of the same experience in Liverpool and Stoke-on-Trent are the lowest paid, earning about £52 a week.

A second survey published yesterday by Alfred Marks on the health of office staff, warns that cigarette smoking seriously aggravates ailment in the office.

Mr. Marks said: "More and more employers are specifying non-smokers in their job specifications for new staff through our branches. The survey also revealed that more and more employees are asking their employers to ban cigarette smoking completely in the office."

The survey, compiled from information taken from office staff registering for permanent employment at Alfred Marks between October and November 1978, said that smokers suffered more from colds, migraine, toothache, heartburn and indigestion than non-smokers. Most serious of all, 79 per cent of workers who complain of heart trouble are smokers. The only two ailments that appear to affect smokers and non-smokers alike are hay fever and menstrual pains.

The main reason for absence from work was colds and influenza, which together accounted for 38 per cent of the interviewees last having been off work.

The survey said that office staff health is directly related to the working environment. The most popular improvements requested by staff were better ventilation and air conditioning. Stuffy offices caused a lack of concentration and headaches.

'Remove controls on inner city areas'

UNNECESSARY restrictions on private investment in Britain's derelict inner city areas must be removed if they are to be redeveloped quickly and successfully, Mr. Peter Drew, deputy chairman of Taylor Woodrow Property, said yesterday.

Mr. Drew, who is also chairman of St. Katherine by the Tower and of London's World Trade Centre, urged central and local government to have a more positive approach to the problems of private developers at a seminar in London on the inner cities arranged by the Institution of Municipal Engineers.

He said that while Government policy on inner cities was helping regenerate areas "before anyone becomes euphoric most private developers would add heavy qualifications."

Mr. Drew questioned the limited Government financial commitment to the inner cities and said that both national and local government could do a great deal to help solve the problem by changes of attitude, procedure and legislation.

Basing his arguments on the experience of Taylor Woodrow in the redevelopment of St. Katherines Dock in Wapping, Mr. Drew pointed out the difficulties facing the private developer.

Problems

Development Land Tax, the rating of empty property and slow planning procedures were all disincentives to developers. He repeated his call for the introduction of zones in the inner cities in which approved developers would be free from usual planning controls.

Politicians needed to "learn the facts of business life and show more understanding" if they were to win the confidence of investors and industry.

Developers were not allowed to help solve the problems of inner city areas because of "the army of municipal and national guards" to fend off the generation of much-needed new wealth.

Mr. Guy Barnett, Parliamentary Under-Secretary of State at the Department of the Environment opened the seminar by stressing the important role of the private sector, especially the smaller firms, and service industries like shops, restaurants and offices in the redevelopment of inner cities.

Other speakers at the seminar included Professor Gordon Cherry, president of the Royal Town Planning Institute, Mr. Wilfred Burns, deputy secretary and chief planner at the Department of the Environment and Mr. Edward Cunningham, director of strategic planning at the Scottish Development Agency.

Rolls Spey jet to power Italian combat aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE ROLLS-ROYCE Spey engine has been chosen to power the new Italian AMX close-support military aircraft—a deal which may eventually be worth up to £150m.

Sir Kenneth Keith, chairman of Rolls-Royce, said yesterday that the engine, in both its civil and military versions, "will contribute to the workload of our factories into the next century. The Spey family of engines continues to be one of our major production programmes."

Under the deal, Italy will undertake some of the development work on the Spey for the AMX, and it is expected that a major proportion of the engines will be made under licence in Italy.

Production of the AMX—a small, single-engined, light subsonic combat aircraft—is expected to continue for as much as 20 years, generating demand for several hundred Speys.

The version for Italy will be the Spey Mark 807, with 11,030 lb thrust, derived from the engine that powers the RAF's Buccaneer combat aircraft.

This latest deal follows a year in which Rolls-Royce signed engine contracts worth more than £2bn.

These included the sale of the RB-211 engine to Pan American for use in TriStar airliners, and orders from British Airways and Eastern Air Lines of the U.S. for the new 535 version of the RB-211 for the Boeing 757 twin-engined airliner.

Other major orders included Adour engines in Jaguar fighters for India and in Hawk trainers for Finland and other countries.

Rolls-Royce has kept the Spey engine up-to-date, regularly incorporating in it the latest technology, so that the company is confident of further major export deals.

Helicopter boom expected

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS Helicopters won 10 new contracts last year in the offshore oil industry, and has a number of others in negotiation. As a result, it is expecting to more than double its capacity by 1985.

Mr. Don Courtney, marketing manager, says in the staff newsletter, Heli-world, that the company has 26 helicopters and about 35 per cent of the market for supporting North Sea oil development and production.

"According to most informed sources, there are at least 16 further "finds" which will be developed between now and 1985. There are more than 20 "discoveries" needing more drilling and appraisal, but which have potential for future development."

These will generate substantial demand for helicopter support work, and the company will be bidding for contracts. "With some confidence we can look forward to this company more than doubling its present capacity by 1985."

● The eight Scottish "Highlands and Islands" airports owned and run by the Civil Aviation Authority together handled more than 1.1m passengers last year, a 41 per cent rise over the previous year.

Fuel-saving schemes 'need cash'

GIVEN sensible financial incentives, combined heat and power schemes designed to save fuel could be playing a more important role in Britain's energy economy.

But some combined heat and power (CHP) schemes operating in the country waste energy, and others are uneconomic to operate.

These are conclusions from a study of industrial experience of CHP in Britain, directed by Professor Ian Fells, professor of energy conversion at the University of Newcastle-upon-Tyne.

Some of the schemes investigated had already been abandoned, but in every case the researchers have had their facts on the scheme verified by the original operator.

Their report describes as a "very welcome development" the project at Hereford in which the local electricity board itself is installing a CHP scheme.

The authors conclude that such an arrangement—in which the scheme itself is credited with the value of the electricity produced and "stand-by" is provided by the electricity supply system—if combined with a reliable and reasonably constant heat load "could give a sensible pattern future development."

But the authors exonerate the Central Electricity Generating Board and the area electricity boards from having any "sinister" role in preventing the introduction of CHP schemes. They also point out that there is no general economic case yet for district heating, with or without electricity generation, in Britain.

Combined heat and power and the public supply. By John A. Bleay, Ian M. Dobbs and Ian Fells, Department of Chemical Engineering, University of Newcastle upon Tyne, NE1 7RU.

Change in wage-fixing proposed

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MONETARY and fiscal policies, or incomes policies of any of the kinds tried so far, are not enough to permit a return to full employment, according to Mr. Maurice Scott, an Oxford economist.

In a book published today, entitled "Can we get back to full employment?" Mr. Scott maintains that increased public sector employment, work-sharing or work subsidies may be ineffective or even counter-productive, and are certainly very costly.

"Nor can we put the blame on balance of payments difficulties, so that neither North Sea oil nor import restrictions will solve the problem. We are not, all the same, at the mercy of some unprecedented technological development which is bound to destroy jobs. We can get back to full employment if only we can once more reconcile low unemployment and high profits with moderate wage increases."

Mr. Scott argues that a necessary condition for a return to full employment is some radical change in the system of fixing wages. This can be done only when trade union leaders believe it is necessary and can convince their members.

The book suggests that the increase in structural unemployment is mainly due to the falling share of profits in manufacturing industry. A theory of labour-using and labour-saving investment is outlined which shows that, the lower the share of profits, the lower total investment will be and the more will such investment as remains take the form of labour-saving investment rather than labour-using.

Mr. Scott's collaborator, Mr. Robert Laslett, examines the definition of full employment, noting that the average rate in the 20 years after the last war was 1.7 per cent. Mr. Laslett concludes that about 1 per cent more unemployment now could be accounted for by changes in the habits of those who register as unemployed and the increased ratio of unemployment benefits to earnings net of tax.

He points out that some new estimates of this ratio are higher. Although these could affect attitudes to work if they are allowed to persist, it seems unlikely that most of the 1977 average of 6.3 per cent unemployment can be explained in this way.

"Can we get back to full employment?" by Maurice Scott with Robert A. Laslett. Macmillan Press, £7.95 (hard cover) and £3.50 (paperback).

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BBC seeks long-term solution to cash crisis

BY ARTHUR SANDLES

THE BBC objects to being forced into debt, and regards its borrowing limit increase by more than three-fold to £100m as a temporary measure to meet present problems. That was made clear last night by Mr. Ian Trethowan, BBC director-general.

Speaking at the first Royal Television Society TV journalism awards in London, his comments reflected the corporation's mixed reaction to the Government move to avoid a cash crisis which would have come at the end of March without some form of help.

The BBC is pleased it did not get a grant in aid—something it has always avoided because it feared a threat to its independence—and yet it is worried it has to borrow substantially now to pay day-to-day bills.

"We do not like being forced to run further into debt, and we hope that the increase in the BBC's borrowing powers is intended to provide a breathing space during which new permament arrangements can be made," said Mr. Trethowan.

He went on to welcome general Parliamentary support for a continuing of the licence fee system. "We believe it is very significant that the Government is evidently determined to make the licence system more viable," he said.

Ways had to be found, however, to make it more acceptable to the public by collecting it in smaller amounts.

In the awards, ITN won the prize for the best hard news items—coverage of Eritrea—and Thames Television the prize for a complete news feature—Nick Downie's coverage of Rhodesia.

Other awards were: International current affairs; ITN for News at 5.45 by satellite from the International Broadcasting Convention at Wembley. Daily News Magazine: Southern TV for Day by Day (November 30).

Current Affairs documentary: BBC Scotland for Power of Scotland and Granada for Decision—British Communism. Specialist Documentary: Horizon (BBC) for Now the Chips are Down.

Humour: BBC Midlands for There's a Dog on the Roof. Regional News: BBC Plymouth for Oil Rig Rescue.

Current Affairs, contextual reporting: BBC for Didcot Disaster. Cameraman of the Year: Peter Beggin of the BBC. Television Reporter of the Year: Michael Nicholson of ITN.

More shops offer credit

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

TWO MAJOR High Street retailers yesterday joined the growing number of shops offering their own credit card facilities.

International Stores, the supermarket subsidiary of BAT Industries, announced that it was launching a shoppers' credit card in the spring which would cover both food and non-food purchases. F. W. Woolworth has also announced plans to introduce its own credit card in about three months time.

These moves follow plans announced by other major retailers, including Fine Fare, Tesco, Etam, the Co-operative stores, and Lasky's audio chain, to offer shoppers personal credit card facilities. Marks and Spencer already operates its own credit card system in some stores.

International Stores claimed yesterday that its credit card, which will be available only in its existing eight superstores, means it will be the first supermarket chain to allow credit card purchases for both foods and non-foods.

The International scheme is being operated by Barclaycare, the retail credit arm of Barclaycard. Card holders will have to pay a minimum of £5 per month which will allow purchases of up to 24 times the monthly payment. International says the interest rate "will be fixed to be competitive with other similar credit cards."

Woolworth's new credit card will be introduced initially into 70 of the company's largest stores and then extended into theremaining 1,000.

It will be run by Bradford-based Unicredit Finance a subsidiary of the Provident Financial Group, and will also enable card holders to have 24 times the monthly payment in credit.

Woolworth's said yesterday that unlike other retailers' credit card schemes, its card holders would not need bank accounts and would not be issued with special cheque books to accompany the cards.

Unicredit also announced details yesterday of a personal credit card for Vallance and Davison, an electrical retailing chain based in Yorkshire.

International Stores has not yet finalised plans for the future of its Green Shield trading stamp franchises in 100 stores which are due to expire later this year. Plans may include axing stamps in some stores where they have not attracted sufficient extra sales volume. But other stores are likely to go on distributing them.

Lonrho not to sue over profit forecast

By Christine Moir

LONRHO is not, after all, to sue Dunford and Elliott over the profit forecast which it made—and then missed—at the time of the takeover by Lonrho last year.

Yesterday Mr. Robert Dunlop, a Lonrho director, said that Lonrho had completed its investigations and "no proceedings are contemplated."

However, Dunford's figures will be scrutinised by the Takeover Panel which had earlier announced an initial investigation into the affair. This was suspended while there was a chance that Lonrho might seek a legal remedy.

Lonrho has now handed over all the details to the panel which has taken up the matter once again.

At the time of the takeover, Dunford's board forecast profits of £5m but turned in only £1.7m pre-tax.

EEC provides £13m for UK projects

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

BRITAIN HAS received another £13m from the Common Market's regional development fund towards projects in the assisted areas.

The grants actually go to the Treasury although they are given for specific undertakings. A Government department will have already assisted projects financially so the EEC money will go into central finances.

The intention of the regional fund is to assist projects financed by public authorities which are directly linked with the development of industrial activities. Even within the assisted areas priority areas have first call on the finance.

The largest amount went to Scotland, which received £14.9m. England received £5.24m with the North West getting £2.71m, Yorkshire and Humberside £1.71m and the South West £816,000. Wales had £2.28m and Northern Ireland £1.37m.

Among the projects aided were several docks schemes. At Ellesmere Port the extension of the existing terminal was assisted and a 32-tonne derrick, a weightbridge and new roads were provided at Garston docks in Liverpool, as well as a second set of dock gates at the Gladstone river entrance, Liverpool. Electrified capstans at Immingham dock's lock entrance also qualified for aid.

'Silver bank' hearing adjourned

HIGH COURT applications by Kendal and Dent, the London "silver bank" to continue trading under a special manager, pending the hearing of a Department of Trade petition to wind up the company, were adjourned yesterday until February 12.

Mr. Justice Vinelott said it was impossible to proceed with the application — which was opposed — on the existing evidence. This means that the hearing of the petition, due to resume next Monday, will have to be deferred until after the present applications are decided.

The petition was presented by Mr. Edmund Dell, the Trade Secretary, on December 15, when the Official Receiver was appointed provisional liquidator.

The bank now seeks the removal of the provisional liquidator but is willing to remain under the control of his nominee, the special manager, if it is allowed to reopen for business.

Mr. Anthony Lincoln, QC, for Kendals, told the judge: "We desire to continue to trade, without the stigma of the Official Receiver, in the interests of the public and ourselves."

The Official Receiver, who on Tuesday obtained leave to refund money deposited by customers in ignorance of the petition, will continue to be represented.

He cannot be discharged, as the bank wishes, until an order is made under Section 227 of the Companies Act. And that order cannot be made until he has had a chance to answer the bank's evidence on solvency and the guarantees it proposes to give.

GDP grows 'faster in development areas'

BY OUR REGIONAL AFFAIRS EDITOR

A PICTURE of Britain in which gross domestic product grew faster in Scotland, Wales, Northern Ireland and the Northern economic region of England than for the UK as a whole during the early '70s is presented in the 1979 edition of Regional Statistics, published yesterday.

Although the figures often relate to the period between 1970 and 1975, and never go beyond 1977, they indicate the extent to which Government policies have helped those areas most in need.

There are indications, though, that the advances made between 1970 and 1975 have not always been carried through since. In the North, which covers the counties of Cumbria, Northumberland, Durham, Tyne and Wear and Cleveland, growth in GDP between 1975 and 1976 was at about the UK average, which indicates "a relative slowing down in the north's economy."

The report adds that "this relative deterioration may have continued more recently, as the unemployment rate in July 1978 was much higher than the average for 1976."

The report that people move home most frequently in London, stay longest in the same home in South Yorkshire and the North-west, have more central heating in East Anglia, the fewest refrigerators in Northern Ireland as well as the lowest proportion of colour TV sets, and pay more for their houses in and around London.

Regional Statistics, 1979 edition, Central Statistical Office. SO; £7.50.

Silver auction totals £101,157 at Christie's

SALEROOM

BY ANTONY THORNCROFT

A VICTORIAN helmet-shaped ewer and basin by Robert Garrard, weighing 313 oz, sold for £4,800 at Christie's yesterday in a silver auction which totalled £101,157.

It was bought by Koopman who also paid £4,500 for a George I coffee pot by Timothy Lee: £3,600 for a Dutch two-handled cake basket by Reynier Brandt of Amsterdam; and the same for the Doncaster Shield, a circular plaque with a representation of the meeting of Bolingbroke and the Earl of Westmorland at Doncaster. It was made by J. S. Hunt in 1865.

At Sotheby's modern British paintings brought in £47,002. Frost and Reed paid £1,300 for Summer Flowers in a Vase by Cecil Kennedy. A Belfast dealer gave £1,600, four times the forecast, for Come to Ireland by Paul Henry, a sketch for the poster used by the LMS railway about 1910.

In New York on Tuesday Sotheby Parke Bernet sold the late Nathaniel E. Stein's collection of American letters and autographs for £179,834. A document signed by President Harrison in 1841, six days before his death, was bought by Forbes Inc. for £11,055. A letter from Benjamin Franklin made £10,050.

Dockers may seek deals over 10%

BY OUR LABOUR STAFF

EMPLOYERS AT major ports believe they will be unable to settle with dockers below 10 per cent and that some settlements may be considerably higher.

They are hoping, however, that rises above the 5 per cent guideline will be achieved through productivity deals.

Dockers at three ports—Avonmouth, Grimsby and Immingham—have been on strike in response to offers of about 5 per cent and industrial action, including work-to-rules, has been mounted elsewhere.

At about 10 ports dockers have concluded deals which employers say are within the guidelines, although some have been topped up by considerable self-financing productivity payments.

These include a number of small ports like Ipswich, Yarmouth and Preston and larger operations, including Glasgow and the Tees. Settlements are thought to range up to 11 per cent.

The settlements only cover about a tenth of the 28,000 registered dock workers. Most of the major ports, including Hull, Southampton, London and Avonmouth, where agreements run from January have still to settle.

Dockers at these ports have been holding back in negotiations in view of pay developments within the private sector. The size of recent settlements here will make negotiations at some of these ports even more difficult.

New bid to damp down pay claims

By Christian Tyler, Labour Editor

MINISTERS and TUC leaders were yesterday discussing ways of damping down pay claims and settlements.

Although the Government has given up hope of getting the TUC to agree a new pay norm, it is hoping to persuade it to exercise some voluntary restraint for the rest of this wage round.

The meeting was the latest in a frantic round of talks designed to work out a joint agreement within weeks on economic and industrial relations matters, ready in case the Government is forced into an early election.

The TUC economic committee was considering yesterday how the TUC itself could influence the rest of the wage round.

Ministers fear that each wage settlement is tending to be larger than its predecessor, and are particularly concerned to prevent double-figure settlements for the public service workers in order to break the spiral.

A suggestion in a TUC paper for a single pay date as one of the reforms of collective bargaining for the longer term was turned down as unrealistic yesterday.

Today Mr. Albert Booth and other Ministers will talk about picketing, the closed shop, strikes—and how they affect emergency services—and inter-union disputes with the TUC employment policy and organisation committee.

The four economics Ministers, led by the Chancellor, and Mr. Michael Foot, Lord President, will meet the TUC economic committee again on Monday. A special general council of the TUC has been called for next Wednesday.

Government may face State buses pay call

BY NICK GARNETT, LABOUR STAFF

UNION OFFICIALS and operators of State bus companies are likely to make direct representations to the Government about the impending battle over pay in passenger transport.

Pay negotiations for 70,000 drivers, conductors and maintenance staff at the National Bus Company, the Scotland bus group and some large independent bus companies began yesterday.

A special joint management-union committee of the industry's national council is studying the claim from the Transport and General Workers' Union for "substantial" increases on basic rates and other payments. It will report back to the council next Thursday.

Mr. Larry Smith, the union's passenger transport secretary, said that though the employers had made no formal offer, he believed they would not be prepared at the moment to offer more than 5 per cent.

The union seeks a similar deal to that of the lorry-drivers, who are negotiating settlements of more than 20 per cent on basic rates.

Mr. Smith said that there was no possibility that bus-drivers would accept 5 per cent.

The union did not believe that the bus companies could afford to pay the kind of settlement the drivers sought. Representations to the Government were therefore necessary.

The union's claim also covers 50,000 drivers for London and municipal authorities, and 20,000 for Passenger Transport Executives. Basic rates outside London are about £40, andt about £55 in the capital. Average earnings are £105 in London and £82 to £85 outside it.

Key plants recall workers as more lorry men end strike

FINANCIAL TIMES REPORTER

INDUSTRY continued recalling laid-off workers yesterday as more striking lorry drivers in key areas of Britain, including Northern Ireland and Scotland, reached settlements with employers on new minimum top rates of either £64 or £65.

Three-quarters of British Steel employees made idle by the dispute have been recalled. In the Sheffield division, where 14,000 are returning to work, most production processes should be operating tomorrow.

In South Wales, the three tin plate plants, which supply the can industry, will resume production following the recall of 6,500 employees. Scunthorpe's No. 2 rod mill and its continuous casting plant will become operational with the recall of 1,400 out of 2,000 workers laid off in the division.

The number of British Steel staff laid off is now down to 5,350 from a peak of 27,250 at the beginning of the week.

Metal Box, the can and packaging company, stepped up the pace of recall notices to its factories in Britain and Northern Ireland, including those at Westhoughton, Wisbech and Carlisle.

Following the resumption of tinplate making in South Wales, the company hopes that by the end of next week production will be near to normal again at the 12 of its 36 plants where staff have been laid off.

Scottish manufacturers called back more workers yesterday, lowering the estimated number of layoffs to 26,500 from 30,000 the previous day and 34,000 on Monday. The estimates comprise employee figures from 200 leading companies with more than 500 workers.

More lorries were delivering essential goods and supplies to manufacturers. The Confederation of British Industry estimated that between 400 and 500 lorries were now operating. Secondary picketing has virtually disappeared and more own-account vehicles are able to collect finished products and raw material supplies.

The Freight Transport Association said that shortages of raw materials were still critical for many manufacturers as many hauliers had not resumed work.

The CBI said that it would take a week or more for normal production to resume in factories. Stock shortages were still critically low in several companies and would have to be replenished.

BP Chemicals said the picture was "looking much brighter" although it would be some time before production and deliveries were back to normal. However, snow-covered roads were not being gritted in many areas and other industries were competing for lorries that were now available to clear backlogs.

Imperial Chemical Industries said the position was "improving" — except in the North West where picketing had actually been stepped up.

ICI said its production was running at 70 per cent of normal — a 10 per cent increase on last week — while its despatches were up from 33 per cent to 60 per cent of normal. The group estimates it has lost £100m of sales because of the lorry strike.

However, there was little improvement in the flow of lorry traffic through Britain's ports yesterday in spite of a reduction in picketing.

Only 100 containers with imported general cargo were moved out of Felixstowe, compared with over 400 on Monday as vehicles remained in short supply.

Pensions plea to British Shipbuilders

THE ASSOCIATION of Independent Businesses has asked British Shipbuilders not to include provision for inflation-proofing of pensions in its proposed new pension scheme. The association believes that such a provision for index-linking should be excluded "as a matter of public policy."

This request was in a letter from the association to Adml. Sir Anthony Griffin, chairman of British Shipbuilders.

It said that because of high rates of inflation the pensions to the public sector were becoming increasingly divergent from those of the private sector, since public sector pensions were index-linked.

The association considered that this gross inequity could not be justified, and that steps to "rectify the situation" were long overdue.

It claimed that if employees of British Shipbuilders and those of other newly nationalised industries were to have "the privilege" of inflation-profing bestowed upon them, then the gap between public and private sectors in conditions of employment would become "even more exaggerated."

Draughtsmen reject call for ban on Swan ship

DRAUGHTSMEN at Swan Hunter Shipbuilders on the Tyne have rejected appeals from union leaders and colleagues on the Tees not to undertake work on an £18m refrigerated container ship.

The decision means that the work will not be transfered to West Germany and 800 jobs at the Walker naval yard will be guaranteed for more than a year.

Swan Hunter have obtained assurances from Tyne shop stewards thaat the vessel, for Bank Savill Line, will be built on time.

It is understood that the Tyne draughtsmen told their union leaders and Swan Hunter management that they had no grievance with the company, and were not prepared to risk losing the ship and the jobs over the Tees dispute.

Draughtsmen at the Haverton Hill yard on the Tees are refusing to work with supervisors in the Engineers and Managers Association and have done no work on drawings needed by Swan Hunter for the ship since mid-December.

The Tyne draughtsmen, members of TASS, are to prepare the drawings from scratch.

The Walker yard needs the ship as the only work it has at present is a supply vessel for the Iranian Navy, in the last stages of being fitted out, and a small cargo ship, also being fitted out.

Since the Haverton Hill industrial action, British Shipbuilders has granted notional recognition to the EMA and TASS is urging its members not to cooperate with managers in protest.

British Shipbuilders said yesterday: "We have told the owners that we are totally satisfied with the assurances given us by representatives of all the workforce at Swan Hunter and we have confirmed that the contract will be completed on time."

● Boilermakers at the Vosper Thorneycroft shipyard decided yesterday to "black" HMS Southampton, the destroyer secretly launched by management at the yard on Monday night.

The destroyer has still to be fitted out, and the men, who would be responsible for steel work and welding, say they will refuse to work on her.

A mass meeting of other shipyard workers yesterday rejected a call for a one-day strike over the launching.

Big wage increases claimed by power workers

By Philip Bassett, Labour Staff

POWER WORKERS yesterday formally lodged a claim for substantial pay increases, a reduction in hours to a 35-hour wek and other improvements.

No estimates of the value of the claim were put forward yesterday at the opening of formal negotiations between the unions representing 95,000 electricity supply manual workers and the Electricity Council.

Yet the trade union side made it clear that "substantial" increases would mean rises "far in excess" of the Government's 5 per cent limit and that it would be studying closely the progress of the parallel claim by 260,000 miners for increases of up to 40 per cent.

Technical

The union side is prepared to admit that a reduction in the present 40-hour working week by five hours will be a "formidable" element of the claim to achieve, particularly in the light of the failure of similar claims in the motor, chemical and rubber, and road haulage industries.

However, manual workers are looking at the technical grades of staff in the industry, who they claim have proportionally higher earnings for a 38-hour week.

The claim also includes consolidation of an £11 performance-related bonus and an improvement of differentials for craftsmen. The employers are expectedt o reply to the claim at a meeting of the National Joint Industrial Council on March 8.

Average earnings in the industry, including the £11 bonus payments, £3.60 from a self-financing productivity scheme and shift and unsocial hours allowance total £75 for labourers, £90 for craftsmen and £115 for foremen.

Rail clerks may act on ASLEF pay

By Philip Bassett, Labour Staff

WHITE-COLLAR railway staff were prepared to take "militant action" if members of the train drivers' union, ASLEF, which halted all rail services in four one-day national strikes last month, won larger increases, Mr. Tom Jenkins, general secretary of the Transport Salaried Staffs Association, said yesterday.

The dispute over ASLEF's claim for a 10 per cent special responsibility allowance will be studied by an independent tribunal headed by Lord McCarthy, industrial relations lecturer at Nuffield College, Oxford. The same tribunal examined the claim last year, and broadly rejected its terms.

Mr. Jenkins said yesterday that Lord McCarthy would face a problem in dealing with the claim, which led to the spate of national stoppages.

His previous finding, recommending payments of £3.14 for high-speed train drivers, had satisfied neither ASLEF nor the British Railways Board. But any move from that position would be likely to inflame the productivity dispute between the three rail unions.

"We are not a very militant organisation, but our members are hopping mad about this stupid industrial action. The members are threatening industrial action."

Hospital disruption hits hardest in North

FINANCIAL TIMES REPORTER

ACTION BY ancilliary workers severely affected hospital laundry services and supplies of sterile equipment across the country as a result of the public service pay dispute. Hospitals in the North of England were hardest hit with 172 operating only a skeleton service.

Throughout the day the situation in London continued to deteriorate with more hospitals facing closure as memebers of the National Union of Public Employees stepped up their action.

Workers at the Queen Elizabeth Hospital for Children in the East End were last night considering stronger industrial action after what they described as a "pointless" meeting with Mr. David Ennals, Health Secretary.

Mr. Ennals faced angry hospital workers when he visited the hospital yesterday afternoon. After being shown piles of soiled laundry and rubbish, Mr. Ennals appealed to the workers not to intensify their action. He emphasised special provisions for the low-paid made by the Government during an eight-minute discussion with union representatives.

Six other central London hospitals faced closure after workers were ordered out on strike. The order means that more than 500 engineers, porters, cooks and cleaners at the 450-bed St. Stephens Hospital in Chelsea, and the smaller St. Marry Abbots hospital, Kensington, will join the strike. Four hospitals in Westminster are already affected, and Westminster Hospital and the adjacent children's hospital have closed their doors to all new admissions after a dispute over the cleaning of some wards.

The Westminster hospitals were yesterday running out of heating fuel after pickets stopped oil deliveries.

In the North-East Thames region, two hospitals, including the 485-bed Harold Wood hospital in Essex were closed to all but emergencies after domestic and dining-room staff joined the strike. A dispute at the central laundry in Carshalton closed most of the hospitals in the South-West Thames region to all but emergencies.

Hospitals in Luton, Dunstable and Edgware were also badly affected.

In the North, about 172 hospitals were handling emergencies only with the main problems being lack of laundry supplies and a build-up of rubbish.

Yorkshire remained affected by the dispute with Harrogate's two main hospitals appealing for public help to maintain vital services. At Hull Royal Infirmary, kidney patients have been asked to fetch their own supplies for kidney machines after a strike by stores men and drivers.

In Trent a continuation of the lorry drivers' strike is having a severe effect on linen supplies while the water workers' dispute is affecting the kidney unit at Lodgemore Hospital. Yarmouth, West Suffolk and Bury St. Edmunds hospitals in East Anglia are closed to all but emergency services as are those in Bolton, Manchester North, Oldham, Stockport, Tameside, and Lancaster.

Strike action has hit all but one of Birmingham's six hospitals stopping all but emergency admissions and sending home hundreds of patients. Porters in Coventry are striking but, in Lincolnshire, union officials have asked laundry workers to return to work because of the effect on local hospitals.

In Wales, lightning industrial action disrupted most hospitals while in Northern Ireland all four unions representing hospital ancillary workers start an overtime ban and work-to-rule next week. Plans for a five-day stoppage have been postponed.

Ambulancemen in virtually all areas in England were answering only emergency calls and working to rule but in East Anglia some men returned to normal work after receiving an interim £7.50-a-week bonus.

Across Britain, more local authority workers joined the strike after pay talks with employers on Tuesday failed to make progress. Refuse collectors in at least 40 cities in England were on strike, with the worst-affected areas again being in the North. Seven London boroughs were without refuse collections and, in Liverpool and Manchester the cities' incinerators were closed.

Westminster City Council, faced by an all-out strike by its 541 refuse collectors, has opened emergency collections in parks and gardens throughout the city. One of the sites opened yesterday was at Leicester Square with extra dumps expected to be opened today.

Mr. Peter Shore, Environment Secretary, urged gravediggers to return to work after disruption of funeral services in some areas including Liverpool, Manchester and Southwark.

Sewage services continue to be affected in Wiltshire and Southwark but water supplies throughout England are being maintained. About 1,600 water workers belonging to NUPE have been authorised to cut off supplies to factories in the Severn Trent Water Authority area from Monday.

In Scotland disruptions in the local authority services were stepped up even though pay talks between the four unions were not resolved at the end of the day.

Many of NUPE's 61,000 members were reported to have walked out yesterday, affecting water supplies, sewerage and drainage depots and some technical colleges.

The action is part of a strategic strike which will intensify this week, hitting hospitals, ambulance services, road gritters and rubbish collecting.

Several regional councils said that they had not received the agreed 24-hours' notice of official action. But a NUPE official from Aberdeen said that the action was unofficial.

"By Friday, many more NUPE members will be on strike and by Monday 100 ambulance drivers and laundry workers in the Grampians will have closed every hospital in the Highlands," he said.

Cabinet to lead devolution battle

By Anthony Moreton, Regional Affairs Editor

THE Labour Party is throwing all its big guns into the Scottish referendum campaign. Between now and polling day on March 1, nearly all the Cabinet will go to Scotland.

Mr. James Callaghan, the Prime Minister, will spearhead the drive. At a rally in Glasgow on February 12, he is to open a series of speeches by Ministers.

The Government attaches great importance to the campaign. It believes that if it is to keep as many options open as possible concerning a general election, it has to carry the day for devolution.

That, it believes, offers the best chance of keeping the 11 Scottish National Party votes on its side at Westminster.

Labour's organisation in Scotland almost entirely supports devolution. Mrs. Helen Liddell, party secretary in Scotland, said in Glasgow yesterday that nearly all the 71 constituency parties would fight for a "yes" vote.

It is not yet certain, though, how many individual members will promote the campaign locally, as it has not so far aroused them in the same way as this year's general election will.

Mr. Michael Foot, Lord President of the Council and Leader of the Comomns, the man responsible for the devolution Act in the Commons, will also go to Scotland. Other senior Ministers who will speak include Mr. Denis Healey, Chancellor of the Exchequer, Dr. David Owen, Foreign Secretary, Mr. Anthony Wedgwood Benn, Energy Secretary, Mr. Bruce Millan, Scottish Secretary, and Mr. William Rodgers, Transport Secretary.

Mr. John Smith, who became Trade Secretary just before Christmas, wil also pay special attention to Scotland. Mr. Smith represents North Lanark and, as Mr. Foot's deputy at the time, undertook most of the work of getting the Bill through the Commons.

The campaign will also embrace the Scottish TUC, with Mr. James Milne, its general secretary, prominent, and the Scottish Co-operative Party.

Tories 'trying to kill Price Commission'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Conservatives were accused last night of trying to destroy the powers of the Price Commission by introducing "absurd" amendments to the Government's latest prices legislation.

The accusatio nwas made in the Commons by Mr. Roy Hattersley, Prices Secretary, as the long battle began on the committee stage of the Prices Commission (Amendment) Bill.

This strengthens price controls by removing the profit safeguards which at present permit a company to increase prices during an investigation by the Commission.

The Tories moved amendments to retain the safeguards for companies supplying food and essential services and for those affected by industrial disputes.

But Mr. Hattersley told the House: "These are not amendments in the sense that they make adjustments to the Bill. They are amendments which vitiate the purpose of the Bill."

It would mean that companies in those categories would be able to receive price increases without investigation or modification and without the Commission having any power to influence them.

The Commission would find that nearly all the subjects it wanted to investigate would be covered by the safeguards proposed by the Conservatives. The Commission would be in a most dangerous situation.

The intention of the Bill was to extend the discretion of the Commission but the amendments would have the opposite result. They would allow a company affected by a strike to put up its prices automatically.

In any case, he argued, the amendments were unnecessary as companies were fully protected in the parent Act which laid down that their pricing policy could not be unreasonably restricted by the Commission.

He described the tactics of the Oppoistion as "opportunism taken to a preposterous degree."

There would be insuperable difficulties in deciding which companies had been affected by industrial disputes and how their profits had been affected.

He pointed out that United Biscuits had been allowed a discretionary increase by the Commission without the paraphernalia of safeguards. This had been granted because the company had been prepared to demonstrate a geuine need.

"That reasonable approach will continue to characterise the Commission's behaviour," Mr. Hattersley promised.

From the Conservative front bench, Mr. Giles Shaw said there were exceptional circumstances in which it was essential to retain safeguards for the recovery of the costs incurred.

They must be protected from threats to their viability.

Even a short period of price freezing could have a major effect on profitability. If costs were not recovered companies were put in dire straits.

Food companies were particularly vulnerable because they depended heavily on the supply of raw materials, often from overeas, and these were subject to serious price fluctuations.

The Conservative amendment on food company safeguards and essential services was defeated by a majority of 14 (270-256). The Tory amendment to protect companies hit by strikes was not pressed to a vote.

Oil threat under 'close watch'

BRITAIN IS watching closely the threat to oil supplies arising from the unrest in Iran and is appealing for avoidance of waste, Mr. Anthony Wedgwood Benn, Energy Secretary, said in a Commons written reply yesterday.

He was keeping in touch with the International Energy Agency and with other Governments. Iran's "complete cessation of oil exports since Christmas is undoubtedly placing strain on world oil markets. The loss of Iranian crude is only in part being made up from additional production elsewhere, and some rundown in stock levels world-wide is inevitable."

Mr. Benn was continuing to keep in close touch with oil companies about maintaining supplies to the UK and the steps they were taking to secure additional supplies from other sources.

Information Bill debate curbed

GOVERNMENT and Tory front benches denied that they were out to wreck or delay Liberal MP Clement Freud's Bill to provide greater freedom of information. However, they limited detailed discussion of the measure by a committee of MPs to two sessions a week.

Private members' Bills are usually debated in committee on Wednesday mornings only. To speed the Bill, Mr. Freud proposed that MPs should meet three times a week. A vote on a Tory backbench plan to meet twice a week succeeded.

Rate increases 'within 10%'

THE GOVERNMENT still expects loca rate increases to remain within single figures in spite of the £60-a-week minimum wage claim by council manual workers, Mr. Peter Shore, Environment Secretary, said.

He denied that a rates revolt was impending and that he was ignoring reality. The Prime Minister had promised extra Government aid to local authorities to take account of its initiative on the low-paid.

Paternity leave measure

THE EQUAL Opportunities for Men Bill, introduced by Mr. Greville Janner, Labour MP for Leicester, West, was given a formal first reading in spite of a warning that it would be a "direct incitement to a population explosion."

Gas Corporation expects at least £300m profit

BY KEVIN DONE, ENERGY CORRESPONDENT

THE British Gas Corporation is expected substantially to increase its profits in the current year to at least £300m. Last year, the corporation reported a pre-tax profit of £180m.

Sir Denis Rooke, chairman of British Gas, said yesterday that the corporation's profit would be "substantially more" than the target it had set itself of a 4 per cent return on turnover (after interest and depreciation at current costs).

Gas sales were buoyant and had been helped by the cold winter. Demand in the domestic sector, which accounts for nearly half of all gas sales, had increased by more than 10 per cent and commercial sales were up by about 12 per cent.

There had been a smaller increase in sales to industry—up about 5 per cent—partly because of a fall in sales under interruptible contracts.

Giving evidence to the select committee on nationalised industries, Sir Denis made it clear that the Gas Corporaton is still deeply unhappy about the recent financial target it was set by the Government of a 6½ per cent return on turnover (after interest) for 1979-80.

It has sought clarification from the Department of Energy, but still awaits an answer. A target for a single year was impossible, said Sir Denis. "We are seeking an explanation for the target and its purpose, and how it relates to the future."

Such an explanation was necessary before the corporation could decide on the size of price increase it should pursue later this year.

The electricity industry had been set a target of a 10 per cent return on average net assets (before interest). On the same basis, the target for the gas industry would be 12.8 per cent.

"If Government does not want the real price of gas to drop; I want that said openly," said Sir Denis, "then we will know what to do."

The corporation's commercial view was that a return of 4 per cent per annum on turnover, taken over a period of several years, would have been more appropriate.

A one-year target was "extremely unwelcome," said Sir Denis. It was bad for consumers because it gave no guidance for the trend of future prices.

In general, however, he now expected gas prices to rise in line with inflation.

The Gas Corporation is rapidly building up its cash reserves and has a current target for increasing reserves to 25-30 per cent of net assets. As a result of last year's profits, reserves increased to 15 per cent.

Sir Denis suggested that one way of dealing with a larger cash surplus would be to give shares in the corporation to its employees.

This could be a way forward for industrial democracy, to give the gas industry's workers a greater interest in their jobs.

The Gas Corporation was negotiating with Algeria about the extension of its 15-year contract to supply the UK with liquefied natural gas said Sir Denis. The contract expires at the end of 1980.

Treasury spending plans attacked

By Peter Riddell.

THE GOVERNMENT'S spending plans and the economic assumptions behind them have been strongly criticised in by City and academic economists to an all-party committee of MPs.

The 14 memoranda—from a number of building trades organisations as well as from economists — were published yesterday when the general sub-committee of the Commons Expenditure Committee held a public hearing questioning senior Treasury officials on the recent Expenditure White Paper.

The session was distinctly low key compared with previous years. Nothing new of any substance emerged about the Government's plans in the face of some occasionally wayward questioning from certain members of the sub-committee.

The Treasury team—headed by *Mr. John Anson*, a deputy secretary—would not be drawn into discussing the possible effects, and response to, increases in pay above the official pay guidelines, beyond what has already been stated. This was in spite of persistent questioning, especially from the Tory MPs on the sub-committee.

Apart from pay, the topics included the balance between capital and current expenditure, the extent of underspending and the calculation of debt interest payments. No further sessions with the Treasury are planned.

The Treasury has been more strongly challenged in the memoranda to the sub-committee. The critics are divided into two broad groups.

One consists mainly of monetarist economists, notably those in the City, who believe that the proposed growth of spending is too high to be compatible with counter-inflation objectives.

The other contains non-monetarist economists, chiefly on the Left, who argue that public expenditure should be growing faster in order to bring down unemployment.

In the former group, Dr. Alan Budd and Mr. Terry Burns of the London Business School argue that the plans in the Government's White Paper will generate a rise in the rate of inflation unless there are further incerases in taxation.

In the non-monetarist group, the National Institute of Economic and Social Research maintains that on balance the risk in the White Paper is towards more, rather than less, unemployment, and public spending cannot be said to be fulfilling its potential as an instrument for the orderly return to full employment.

Mr. Terry Ward, the specialist adviser to the sub-committee from the Deparment of Applied Economics at Cambridge, argues that there is tendency in the White Paper to evade reality.

Cash limit eased to help low-paid council workers

BY IVOR OWEN

SOME FURTHER easing of the cash limits on local authority expenditure—going beyond the relaxation already announced by the Prime Minister—is to be permitted by the Government to accommodate a settlement for low-paid manual workers.

This was indicated by Mr. Peter Shore, the Environment Secretary, in the Commons last night, when the anguish caused to the bereaved by the delays of burials arising from the gravediggers' strike was condemned on all sides.

Mr. George Thomas, the Speaker, joined MPs in expressing concern about the effect which lightning strikes by NUPE members employed in hospitals is having on the sick.

He gave a broad hint that if there is no improvement in the situation he may authorise an emergency debate in the Commons tonight.

Mr. Shore made it clear that Government rigidity over cash limits was not tying the hands of the local authority associations.

He expressed surprise that the talks held on Tuesday—when the employers decided that they would have no chance of settling the manual workers' dispute with an 8.8 per cent pay formula—made no progress.

He denied that negotiations had broken down and claimed that it was more of a "non-beginning."

Mr. Shore envisaged an early resumption of talks between the parties and emphasised the important part to be played by developing the "underpinning" idea outlined by the Prime Minister when he announced the relaxation of the 5 per cent guideline so that low-paid public service workers could be offered an increase of £3.50 a week.

The local authority employers had put forward an idea for developing this in "a slightly more generous way" and "we confirmed that we would be able to cash limit that as well."

Mr. Shore, who stressed that he was not holding out the prospect of the local authority cash limit being adjusted for any other settlement, also acknowledged that comparability would have to be taken into account in the negotiations.

But he rejected a suggestion by Mr. Robert Mellish (Lab. Bermondsey), the former Labour chief whip, that the Government should take the negotiators by the "scruff of the neck" and insist that a report on comparability should be presented before Easter.

The Miinster said: "In view of the very many different skills and occupations concerned we really need to do a serious job if comparability is to play, as I believe it should, an important part in future negotiations."

Mr. Norman Atkinson (Lab. Tottenham) contended that meaningful negotiations were "not on" if the Government retained a rigid position.

Even with the concession announced by the Prime Minister, the offer which the employers could make would nowhere near reach the £60 minimum demanded by the unions.

"Put some money on the table and get down to negotiations and get rid of the Prime Minister's maximum," he demanded.

Mr. Shore denied that the Government was adopting a rigid position, but pointed out that taxpayers' and ratepayers' money was involved.

There were protests from all sides when Mr. Dennis Skinner (Lab. Bolsover) argued that the concern expressed about the consequences of the action taken by gravediggers was an example of the House indulging in "a bout of utter hypocrisy."

The House and the Government could resolve the matter and make sure that the dead were buried without delay by ensuring that the gravediggers were paid a decent wage.

"There is no-one here, but no-one, who would do the job these people are doing for take-home pay of about £40 a week," he insisted.

Mr. Shore urged Mr. Skinner to reconsider his sense of priorities and values.

Quicker planning urged for docks

BY LISA WOOD

THE redevelopment of London's docklands would be speeded up if the planning procedure was simplified, MPs were told yesterday.

Mr. Alan Strachan, of Edmund Kirby and Sons, architects and surveyors, who is also a director of St. Katherine's-by-the-Tower, was appearing as an expert witness before the environmental sub-committee of the Commons Expenditure Committee investigating the progress of redevelopment in the dockland area.

Mr. Strachan said that development would be faster if all planning applications were made direct to the GLC, with the appropriate local authorities consulted only before a decision was made.

At present, planning applications are made to the Docklands Joint Committee made up of the five London boroughs and the GLC.

Mr. Strachan said that the basis on which planning permission was given would also have to be changed.

Approved developers should be given branches of land, detailed planning permission should be relaxed and there should be no control exercised over the design or the external appearances of buildings.

"The environment is one of total dereliction and what is required is freedom for the developer to use his expertise unfettered by the purely subjective view of public planners, however worthy their intentions.

"Given the advantage of a single planning authority and freedom for the developer to operate within an overall strategy, one of the major impediments to the redevelopment of the docklands would be overcome.

Assembly 'will aid economy'

By Robin Reeves, Welsh Correspondent

THE proposed Welsh Assembly will help to reshape the principality's economy, Mr. Paul Flynn, a Gwent Labour councillor, says in another study paper published by the umbrella organisation, Wales for the Assembly, yesterday.

He says that it will give Wales a stronger voice in London and Brussels in securing more investment in its economy.

The Welsh Development Agency and the Development Board for Rural Wales would receive the poltical muscle they need to revitalise the country's industry and to take the lead in promoting investment and managerial initiative in key sectors.

The Assembly will be able to insist on a coherent economic strategy for Wales, providing a framework and targets for economic development. It will also help to secure improvements in transport and housing.

At the root of Mr. Flynn's argument is the view that UK regional policy has altered since the early 1970s in the face of growing unemployment in previously prosperous areas of England.

He concludes that Wales must move increasingly towards putting its economic house in order rather than continuing to rely on attempts to create a balanced Welsh economy.

"We are seeking a Wales where we can have growth from within. We are not carrying a begging bowl into the next century," the paper says, quoting Mr. George Wright, general secretary of the Wales TUC.

Warnings by devolution's opponents that Wales will suffer economically if the assembly goes ahead are dismissed as scaremongering.

"If their alarmist predictions were true, why was the Welsh assembly legislation so nearly stalled in the Commons by MPs from the North of England who feared Wales would steal economic advantages over their own area?" the paper adds.

Equality attack

GOVERNMENT MINISTERS were yesterday in the firing line for the second time for not giving top jobs to women. Last year the Equal Opportunities Commission accused Ministers of having a "very bad record" in appointing women to public bodies. Yesterday, the commission said there had been "little progress" in the past six months.

Robin Maxwell-Hyslop, MP, examines the structure of the committee investigating Rhodesian sanctions

Sheathed claws for a paper tiger

THE Government intends today to move a unique motion, the ostensible purpose of which is to set up a joint committee of both Houses of Parliament.

Its declared task is to "consider, following the report of the Bingham inquiry, the part played by those concerned in the development and application of the policy of oil sanctions against Rhodesia with a view to determining whether Parliament or Ministers were misled, intentionally or otherwise, and to report."

On reading the actual terms of the motion it is difficult to escape the conclusion that one of two propositions concerning it must be true. Either the motion is drafted with quite unprecedented incompetence and ambiguity, with the result that the joint committee is accidentally deprived of the minimum powers which it must necessarily possess to perform its declared task. Or it is drafted with what its sponsors believe to be consummate skill, to give the public the impression that it possesses all the powers necessary to uncover the truth, however embarrassing to those whose actions it reveals as culpable, while in reality keeping all cats safely in their bags.

To be fair, or arguably grossly unfair, let us examine the exact wording of the motion which will be before Parliament today, as tabled in the additional orders of the day for Tuesday, January 30 (see panel).

First, what exactly is a "Special Commission"?

It is precisely and exactly nothing whatever: no such entity exists in common law, in statute law, or in that shadowy compendium termed "lex et consuetudo Parliamenti."

Its inclusion in the title, and the text, adds nothing to, and subtracts nothing from, the powers of joint committees in general, or this joint commitee in particular.

Whatever the purpose of inserting this nomenclature into the motion may be, it is undeniably neither to endow the joint committee with powers which it would not otherwise possess, nor is it to convey information to the public or to Parliament which would otherwise be lacking.

If its purpose is not to endow the joint committee with an entirely spurious additional gravamen and authority, then it must be absolutely occult.

The opening paragraph of the motion is not executive but declaratory, among other things applying the meaningless label of "Special Commission on Oil Sanctions" to a joint committee which will not have received any "Commission"—special, royal or otherwise. Looked at in isolation, this paragraph could be rejected by the House without rejecting the following executive paragraphs, which set up the joint committee.

But the opening paragraph does not exist in isolation. It contains the statement of the task for which the joint committee is to be set up, without which the "said matters" which define the task in the second paragraph are sent into meaningless orbit.

Paragraph six purports to give the joint committee access to the advice of the Attorney-General, but without specifying whether the joint committee or the Attorney-general is to decide when his advice is appropriate.

In the last session of Parliament, the Attorney-General refused to advise a select committee of the House of Commons when requested to do so, asserting that he had no duty to advise committees of Parliament unless the House had specifically ordered him to do so.

The motion, as drafted, does not give him any such specific order.

No committee, or joint committee, can compel the attendance of members of either House of Parliament without an order of the respective House to its own members.

But paragraph three omits to append to the power to "send for persons" a power to enable the joint committee to summon members of each House of Parliament respectively.

Without such a power, it must be obvious that the joint committee is potentially unable to discharge its task.

Did the Government omit the provision of this power from negligence, or on purpose to deny the joint committee a power which must be a necessary condition for the discharge of its declared duty?

The drafting of the final paragraph has two obvious defects. First, the "Instruction" is confined to "papers" "submitted" to the Joint Committee; it therefore excludes "records" as included in paragraph three, and arguably evidence which is "sent for" by the joint committee ("Special Commission"), as opposed to papers which are voluntarily submitted in the manner analogous to that in which President Nixon offered to submit tapes selected by him to the investigatory body in that context.

Second, it is not made clear who decided whether or not the chairman consults his colleagues on the joint committee as to what they should or should not see. While a judge (as the chairman will be) is experienced in the rules of evidence as applied in court, he will almost certainly be void of political experience, and it is arguable that extensive political experience is needed to make valid decisions about what pressures influenced decisions by Government.

To the extent that all members of the joint committee bar the chairman will be expected to agree the report, in ignorance of what data that they might have considered relevant has been withheld from them, what purports to be a final determinant of fact and arbiter of blame could turn out to be something materially different.

It may cogently be argued that a joint committee whose enabling resolution is shorn of these manifest defects will serve a useful public purpose. Alternatively that task does not, on balance, need to be performed. This is a proper decision for Parliament to take.

What is less obviously in the public interest is that Parliament should be faced with the choice of accepting or rejecting a joint committee whose terms of reference are so clearly unrelated to the inadequate and imprecisely defined powers with which such a joint committee is endowed, by the actual motion which the Governmetn has seen fit to table.

Special Commission on oil sanctions

The Prime Minister
Mr. Michael Foot
Mr. Secretary Owen
Mr. Attorney General

That it is desirable that a Joint Committee of both Houses to be known as "the Special Commission on Oil Sanctions" be appointed to consider, following the Report of the Bingham Inquiry, the part played by those concerned in the development and application of the policy of oil sanctions against Rhodesia with a view to determining whether Parliament or Ministers were misled, intentionally or otherwise, and to report:

That a Select Committee of five Members be appointed to join with such Committee as the Lords may appoint to consider the said matters and to report accordingly:

That the Committee have power to send for persons, papers and records; to sit notwithstanding any adjournment of the House; and to report from time to time.

That Two be the Quorum of the Committee:

That the Committee have leave to hear Counsel to such extent as they shall see fit:

That Mr. Attorney General shall give such assistance to the Special Commission as may be appropriate:

That the Committee have power to appoint persons to carry out such work relating to the Special Commission's inquiry as the Special Commission may determine:

That no person not being a member of the Special Commission shall be present during any of the proceedings of the Special Commission unless required by the Special Commission to be present for the purposes of their inquiry:

That it be an Instruction that all papers submitted to the Special Commission shall first be examined by their Chairman who shall determine, if necessary after consultation with other members of the Special Commission, which of the papers should be seen by the members of the Special Commission for the purposes of the inquiry and which of the said papers and records should be shown to parties interested or their Counsel or agents, or to witnesses, and which of such papers and records may be retained by members of the Special Commission or such parties, Counsel, agents or witnesses, and which of such papers and records shall be included in or referred to in any report.

Rhodesia initiative demand

BY ELINOR GOODMAN

MR. FRANCIS PYM, the Shadow Foreign Secretary, yesterday called for a new international initiative on Rhodesia in the light of what he described as "such a decisive result" in the referendum on the draft constitution.

It was of the utmost importance, he said, that everything possible was done now to create the circumstances in which a free and fair election could be held.

To achieve this, the British Government should, he argued, enlist the co-operation of the Commonwealth, together with that of the United States and South Africa, in another effort to persuade the Presidents of the "so-called front line states to exert their influence on Mr. Nkomo and Mr. Mugabe to forsake the path of violence in favour of negotiation."

Despite pressures from backbenchers, the official Conservative position remains that sanctions on Rhodesian trade cannot be lifted until free and fair elections have taken place.

But the front bench believes that the Labour Government had not done enough to try to bring this about.

Mr. Pym said yesterday that, as far as he could judge, no effort whatever was being made to stop or even reduce the fihting.

As well as repeating the Conservative proposal for a high-level mission in Salisbury to provide the British Government with up-to-date information on the situation, and for the establishment of a "contact group" to facilitate the dialogue between the rival parties, Mr. Pym suggested yesterday that the Government should consult the Commonwealth about the feasibility of it providing observers for the Rhodesian elections.

Sir Arthur sees a Nazi plot

BY JOHN LLOYD

THE Electricity Supply Bill—which has still to be debated by the House of Commons—could be "a screen behind which to perpetrate a Nazi-type take over of a loyal and democratic industry," according to Sir Arthur Hawkins, a chairman of the Central Electricity Generating Board until 1977.

He was giving evidence yesterday to the select committee on nationalised industries, on relations between Government, Parliament and the state sector. He said that on reading the Bill, he was "horrified at the subtle ways in which it attempts to give the Secretary of State for Energy of the day total power over the industry."

Such power in the hands of politicians who necessarily took a short-term view would be "in absolute conflict with the fact that these are long-term industries."

The Electricity Supply Bill, which was not brought forward in the last session of Parliament because it lacked Liberal support, has already been the subject of extensive examination by the select committee.

Sir Arthur said the Bill was full of instances of power being taken from the industry and transferred to the Secretary of State. "It would be very difficult indeed to operate."

He cited clauses which enjoined the CEGB to provide electricity as cheaply as possible, and to satisfy the electricity needs of consumers.

The first of these contained no mention of continuity of supply which was frequently in conflict with cheapness. The second clause might prevent the Board from disconecting customers who had not paid their bill. "It would be a scroungers' charter."

Sir Arthur said that there was extensive "arm twisting" of nationalised industry chairmen by Ministers, but that was "normal and healthy."


VAUXHALL
GM
The Carlton

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Chemicals to carry industrial heat

CHEMICAL pipelines that could deliver heat at high efficiency from nuclear, coal, and solar plants directly to homes and industry are the subject of a study by General Electric Company of the USA Research and Development Centre.

Funded in part by a contract from the U.S. Department of Energy, scientists have investigated the potential of the "chemical heat pipe" that could deliver heat energy over long distances at more than twice the efficiency of conventional methods.

The chemical heat pipe is made up of two chemical reactors separated by a pair of pipelines that may be 100 miles or more in length. The input end of the chemical heat pipe is hooked to a heat source, while the output end is located at the point where the heat is needed.

At the input end, a mixture of liquids or gases absorbs heat and, with the help of a chemical catalyst, undergoes a change in the chemical reactor. Essentially, the gases or liquids are converted into a new chemical combination, with the heat energy "locked up" in their molecular structure.

The high-energy mixture is then pumped to the other end of the pipeline, where it undergoes the reverse chemical change in the other chemical reactor, returning the liquids or gases to their original low-energy form and releasing the heat energy they carried. During the conversion process, no pollution is generated.

The original mixture of gases or liquids is then pumped back to the heat source in a return pipe (along the same right-of-way) to begin the process over again.

One advantage of a chemical heat pipe is that it absorbs and releases heat with very little energy loss from one end of the pipeline to the other. For example, about 80 per cent of the thermal energy put into a 100-mile-long pipeline would be released at the far end.

In a chemical heat pipe installation, heat energy could be produced at a centrally located nuclear, coal, or solar plant in a remote area and supplied to industrial plants and cities as much as 200 miles away. The heat could be used directly for industrial processes as well as for the generation of electricity.

In addition, the heat left over from generating electricity could be used to heat homes or provide process heat for industry, thereby saving the oil and gas that are normally used.

Chemical heat pipe systems also might be employed to store the high-energy mixture of chemicals under increased pressure in the pipeline or in separate storage caverns during periods of slack demand.

During peak demand, the chemicals would be released to provide industrial process heat or generate electricity. This approach would assist power utilities in meeting large fluctuations in daily demand.

Petrol made from plastics waste

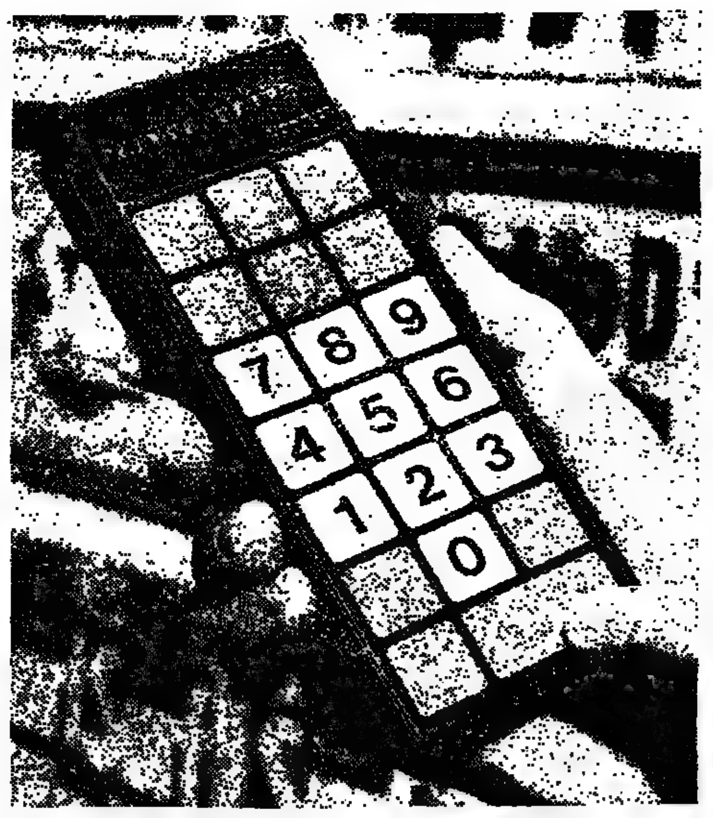
SCIENTISTS at the Institute of Petrochemical Research, Potchefstroom University in South Africa, say they have an answer to pollution by plastics bags and other plastics wastes—turn them into petrol or diesel fuel.

Work on a laboratory scale had proved that it was possible to turn polypropylene, for instance, into a useful fuel with a conversion better than 90 per cent, a spokesman recently declared, adding that the plastics bags had been recovered from a waste dump where they otherwise would have probably been around "in a century's time."

No comment could be made as to the economics of the process or the quality of the liquid fuel produced.

● RETAILING

Stocktaking costs cut to the bone



HALF THE price of the lowest-cost stock recording equipment on offer and half the size of the smallest hand-held unit so far put on the market, a recorder for shop and store stock-taking applications will open up a wide new market for itself.

Developed for UCSL Microsystems, offshoot of Unilever's computer services group, the M25 costs £320. In paring prices to the bone, though the device contains some state-of-the-art electronics and is unlikely to fall further in price for some time, Microsystems believes it will attract many new users among smaller businesses who were put off by the initially much higher cost of the recorders.

For Europe, a market potential of £165m for ½m units is foreseen. These figures include £20m for the UK food retail trade alone.

The M25 is being made in the U.S. by Norand to the UCSL specification, but manufacture will start in Britain when the European sales volume reaches the right level.

What the device does is to capture information on existing stocks by simple keying in of code. It has memories of 4,000 or 8,000 characters, as required, and will operate for 16 hours on a single charge. Memory is non-volatile. There are no moving parts and acceptance of a keyed order is acknowledged by a bleep.

Included in the equipment is an acoustic coupler over which the unit can communicate with a stock control computer at a group's or a supplier's central warehouse. The microprocessor which drives the unit is pre-programmed for supermarket reordering applications.

Microsystems is marketing units that will work with the portable terminal, to receive or transmit data, as well as point-of-sale equipment. It can provide extensive programming support.

Because of the way in which the new unit has been designed, the company is offering a three-year warranty, unprecedented for this type of equipment.

UCSL Microsystems, Chiltern House, 184 High Street, Berkhamsted HP4 2AG. Berkhamsted 71741.

● PROCESSING

Makes board in minutes

INTRODUCED into the UK by Lektrokit is the Cupro printed circuit board production system intended for prototype and short production runs.

Units are available which enable boards to be photo-resist coated, exposed, developed, etched and gold-plated within minutes. In addition, mechanical processes such as guillotining, pilot hole punching, drilling and notching are achieved using a multi-shear module together with its various attachments.

Only the necessary modules need be purchased, others being added at a later date when needed.

The two most basic units, developer and etcher, cost under £500 each. All the bench-top operations are automatically timed and controlled. The standard system caters for boards up to 12 x 12 ins but larger units for 24 x 12 can be supplied.

Lektrokit can provide ex-stock boards and chemicals; if desired, installation, commissioning and servicing can be provided.

More from the company at Sutton Industrial Park, London Road, Early, Reading RG6 1AZ (0734 669116).

Stops rust with no deposits

NON-POLLUTING inhibitor / ZC362, for the prevention of corrosion, scale and fouling in industrial cooling water systems, is available from the Zimmite (UK), 34 Westminster Palace Gardens, London SW1X 1RL (01-222 6733).

Formulation eliminates environmental problems associated with conventional water treatment. Effective corrosion control is provided by a blend of biodegradable organic and non-polluting inorganic compounds instead of traditional chromates, phosphates and zinc. Polyphosphate is also excluded, eliminating the formation of calcium phosphate sludge, regardless of pH level.

The inhibitor forms a protective film on metals, stopping damaging effects of active corrosion cells. It contains a mud remover and scale inhibitor preventing deposits from hard water. It does not require tight pH control and acid feed is generally avoided. Other advantages over conventional water treatment include chlorine and high temperature stability and the elimination of supplementary deposit controls.

● INSTRUMENTS

Getting the right hue

COLOUR measuring and analysing equipment from Britain, the AF 950 Lovibond Automatic Tintometer, attracted considerable interest at ChemAsia in Singapore this month, where the Tintometer company was taking part in a British Overseas Trade Board sponsored Pavilion.

AF 950 is the outcome of development work by Unilever to produce an instrument which would read out the colour of refined edible oils directly in Lovibond units—the international scale for edible oil measurement.

The instrument provides more accurate and consistent measurements than visual instruments, and can read out results in five seconds.

Also on display for the first time was the AF 870 colour vision analyser, which reveals the exact extent of any colour deficiency — previously unobtainable in a single instrument. It is used for the accurate screening of subjects involved in looking at colour, for example airline pilots, paint manufacturers and clothing dyers.

Tintometer, Waterloo Road, Salisbury, Wiltshire. (Salisbury 27242.)

Close look at traces

WHERE A characteristic short-lived, repetitive or "single shot" waveform arises from a particular event or source in medicine, mechanical engineering or kinetic chemistry for example, it is becoming increasingly common for it to be recorded in solid state memory for examination at leisure.

Storage is digital, so that the event is easily "replayed" at any desired speed on an oscilloscope screen.

However, the need then often arises to operate mathematically on the waveshape to yield further data: a displacement trace might be integrated twice, for example, to obtain acceleration.

Data Laboratories of 28, Wates Way, Mitcham, Surrey CR4 4HR (01-640 5321) has designed a plug-in module for its DL Micro 4 signal analysis system that makes use of a microprocessor to apply sequences of transforming functions with great ease.

The micro has some 60 firmware programs put into non-volatile memory at the factory covering most arithmetic, trigonometric and statistical functions likely to be needed.

The user can bring up on the screen "menu cards" of the available functions and by using a high-level language can assemble them into a sequence which can then be put into a "user definable" store, to be recalled at any time by depression of one button only. There are four such stores, matching the four input channels of the basic equipment.

Both the processed waveform and an alpha-numeric display spelling out what has been done are shown on the monitor screen. Selection of the various functions is carried out on an associated keypad on a flying lead.

Analysis gets easier

ALTHOUGH interpretation of complex analysis is a highly skilled matter, the actual use of analytical instruments such as the latest units from Varian Associates is rapidly approaching "child's play," due mainly to the application of data processing.

A single beam (the AA-275) and a double beam (AA-475) absorption instrument both make use of powerful eight-bit computers to control all the signal and results processing.

For example, fast recalibration is possible against a single standard, and a running mean mode displays the progressive mean of a series of results to optimise measurement precision. The new instruments also have automatic scaling for chart recorder markings—and even microprocessor control of the hollow cathode lamp circuits.

In the operation manual, all the instructions are presented in pictorial form with each operation keystroke denoted by its own pictograph and identified in seven languages.

More from Manor Road, Walton on Thames, Surrey (Walton 43741).

Tester has new look

SWEDISH-MADE hardness testers, offered in the UK by Hardness Control Instruments, have now been enhanced with the addition of a digital display. The Duromatic D development will be shown in Britain for the first time at Inspex 79, NEC, Birmingham, April 2-6.

All the features of the automatic sequence Duromatic tester are combined with a clear digital display reading direct to Rockwell scale hardness values, says the company.

Capable of measuring to an accuracy of ±0.5 Rockwell B and C scales, excellent repeatability is assured by the fully motorised sequence.

Pre-load is applied normally, the correct level being indicated by a green signal light. Over-application of pre-load causes a red warning light to be displayed and also indicates reversal of the loading mechanism.

Primary load application, dwell and removal is totally automatic, started either by push button or upon illumination of the green pre-load lamp. At the end of the test cycle, hardness value is simply read from the display.

The machine is said to be ideal for single items or large scale batch inspection, and consistency of results is further aided by a work clamping shroud around the machine's penetrator (indentor) which positively locates on any surface preventing movement during the measuring sequence.

More from the company at 39, Wildmoor Lane, Catshill, Bromsgrove, Worcs., B61 0NT (Bromsgrove 75078).

Two wave generators

MADE BY Krohn-Hite in the U.S., two new frequency generators, one an ultra-low distortion unit for audio application and the other a 30 MHz sweep device have been made available by the UK agents, Keithley Instruments, 1 Boulton Road, Reading, Berks RG2 0NL (0734 861287).

The audio oscillator, model 4024A, exhibits amplitude distortion which does not exceed 0.005 per cent throughout the 0.001 Hz to 100 kHz range. Rotary switches with intermediate verniers make the setting of frequency continuously variable, to an accuracy of 0.5 per cent and with resetting ability of 0.1 per cent.

Sweep generator model 2200 has main frequency and sweep sections. The former provides sine, triangle, square, pulse and sawtooth waveshapes and covers a range of 0.003 Hz to 30 MHz. The other, sweep, unit can increase or decrease the generated frequency at pre-determined rates settable from once every 100 seconds to 10,000 times a second. There are independent slide controls calibrated for start and stop frequencies and the exact nature of the "ramp" can be varied in several ways.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

MEAL millionaires make the ton in 1978

BY DON BECKETT

LAST YEAR saw the number of millionaire brands (i.e., those credited by MEAL (Media Expenditure Analysis Limited) with a total of at least £1m advertising expenditure in press and television) passing the 100 mark for the very first time. The final score was in fact 104, an increase of exactly one third on the equivalent figure for 1977, and more than double that for 1976.

MEAL has just published its report showing the top spending brands of the year, so this gives me my annual opportunity to take a look at the Top Ten—and a little beyond. As always, I must remind readers that MEAL figures relate to card rate (not actual) advertising expenditures, in press and TV media only.

Expenditures in other media (radio, outdoor, cinema) are not included, but their absence does not, I believe, significantly affect the validity of the MEAL figures as useful measures of rankings, trends and relative orders of magnitude.

So what do these 1978 figures, miraculously measured and analysed within just a few weeks of the year's end, show us? As you will see from the table, the picture is very much as before—only more so. Whereas in 1977 (1976 and 1975 too) *nine of the Top Ten places were* occupied by retailers, in 1978 the shops went one better and swept the board altogether. Boots, which took over the top spot in 1976, has not only retained its pre-eminent position for the third year running, but it has opened up an even wider *gap between itself and its most* immediate rivals.

Looking at the *composition* of the Top Ten we see a remarkable stability over the years: only three changes in 1976 (over 1975), two in 1977, and now only one in 1978, with Asda replacing the only *non-retailer brand* Rothmans King Size. Nor has there been much switching around of placings *within* the Top Ten, most brands occupying the same slot they held in 1977. Co-op has pushed its national advertising ahead of its local level for the first time. Tesco is rising fast, not ranked in 1976, in fifth place in 1977, and now in third place in the 1978 table.

THE BIG SPENDERS

(Press and Television)

Meal List Ranking	£m	Press %	Excluding Retailers	£m	Press %
1 Boots	6.70	82	Esso Corporate	2.44	16
2 Co-Op National	4.59	55	PO Call Stimulation	2.29	1
3 Tesco Checkout	4.55	66	Austin Morris Range	2.29	22
4 Woolworth Nat	4.50	44	NDC Milk	2.18	30
5 Co-Op Local	4.27	87	British Airways	2.13	33
6 Currys	3.69	83	Midland Bank	2.02	62
7 MFI	3.49	87	British Gas Cookers	2.01	14
8 Williams	2.67	23	Guinness (Bottled)	1.99	15
9 ASDA	2.65	50	B and H Special Filter	1.99	100
10 Allied Carpets	2.45	37	Rothmans KS Filter	1.99	100

Source: MEAL

As well as *showing the total* Press and TV expenditure for each brand I have also indicated the proportion allocated to *each* of these media. As perhaps one would expect for a list consisting entirely of retailers, we see that seven of our advertisers allocated more to Press than to television. Only Williams and Allied Carpets (perhaps because their prices as well as their products are more durable than those of their grocery rivals) *selected TV as their major* medium.

If we look now at the Top Ten brands *excluding* retailers, and I think this is quite a justifiable piece of editing on my part, we see that the table is headed by Esso Corporate, followed closely by the Post Office compaign to increase telephone usage, and the Austin Morris range campaign. This second table reveals far more volatility than the first, with six changes compared with 1977. Out have gone Embassy King Size (puffed right down to No. 66), BLMC Range, Weetabix, National Westminster Bank, Brooke Bond PG Bags, and Hoover Vacuum Cleaners. They have made way *for Esso, Austin Morris, British* Airways (just flown in at No. 5), Midland Bank, Gas Cookers, and Benson and Hedges Special Filters. In this Non-Retailer Top Ten only the Post Office, Rothmans, Milk, and Guinness have retained their 1977 places in 1978, and the first of these brands did not enter the charts until 1977. This group's pattern of spending is quite different from the retailers as my table shows, with seven out of the *eight brands permitted to use* television choosing it as their major medium.

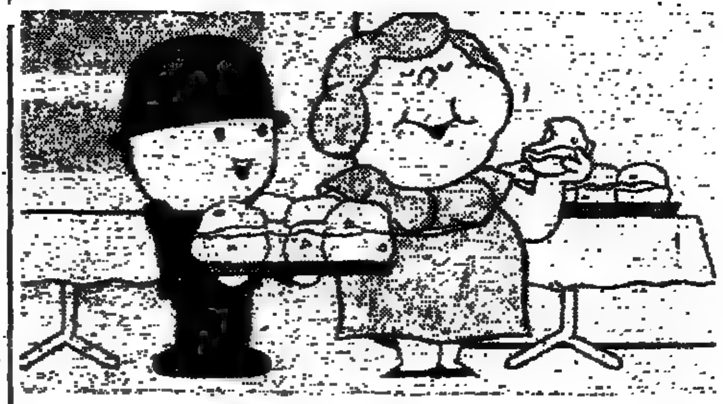
There is no escaping this dominance of retail advertisers, even as we explore the ranking lists beyond the Top Ten, and into the Top Twenty. We have already emphasised that retailers occupy all ten places in the Top Ten, by volume of expenditure. They also fill four of the *next* 10 places, with Fine Fare, Comet, C&A, and W. H. Smith, thus taking fourteen (70 per cent) of the Top Twenty places.

So if you are a manufacturer wishing to bring your latest and greatest product forcefully to the attention of the Great British Public through TV and/or Press media, how much should you allocate for advertising? To get in the Top 200 in 1978 you would have needed to spend £716,000 (like Cadbury's Fudge), in the Top 150 £848,000 (like the Daily Mail), or in the Top 100 £1,043,000 (like Kellogg's Corn Flakes). Looking at it another way, from the point of view of a given expenditure where would that place you in the rankings? £¾m would find you in 187th place, with New *Zealand Lamb, £1m at* 104 with National Savings Bank, and £1½m at No. 46 alongside National Westminster Bank. Spend £2m and you would be fighting for 20th place with Midland Bank and Gas Cookers.

Faced with these likely expenditure figures you would be *forgiven* by some people, but not perhaps by agencies or media owners (whose income could be at stake), if you decided *not* to advertise your new brand at all, but instead to manufacture under a DOB label for one of those retailers who in 1978, as in 1977, 1976 and 1975 showed that when it comes to advertising shops stop in all the top spots.

And will Boots again lead the Top Ten in 1979? It certainly seems likely, unless they have a *revolutionary change in their* advertising policy. Or unless the Co-op (and therefore MEAL) start putting their National and their Local campaigns together in one agency. That way even Boots' mighty spending would be exceeded by over £2m.

Don Beckett is managing director of The Media Business.



Spillers spending spree

JANUARY was not the most propitious month for the relaunch of major brands. Picket problems persuaded Birds Eye to postpone an important rejuvenation of its key cod fillet line, but it did not deter Spillers from pushing ahead with plans for costly advertising and promotion campaigns for its two vital profit earners, Homepride flour and Choice Cuts, a premium dog food.

Homepride has drifted in recent years and its share of the £85m pre-packed flour market has fallen from 30 per cent to nearer 20 per cent. Advertising through the long running *flour graders campaign*, devised by Geers Gross, fell to £200,000 last year, and flour, a declining market, seemed in danger of becoming a commodity brand. Now the advertising has been upped to £900,000, with £800,000 going behind a new flour graders TV campaign on a "Vote for Fred" theme pictured above. There will also be a coupon scheme, valued at over £1m, and to give the company something to shout about the product has been reformulated to rise better, hopefully in line with sales.

There has also been a reformulation for Choice Cuts, as well as new packaging. John Noakes, the former Blue Peter presenter who is rarely seen without a dog, is selling the product in a £600,000 TV campaign from J. Walter Thompson. *With a further £300,000 in* consumer and trade support Choice Cuts is getting a larger budget than any other Spillers launch, let alone re-launch, into the £150m canned dog food market.

A.T.

Women boost pub sales

Any brewer interested in improving sales in pubs should chase the women. The latest survey by Wyman Harris, which specialises in drink research, suggests that pubs with a higher than average proportion of women customers have higher than average sales. Indeed in the few places where over 40 per cent of the customers are *women turnover is 43 per cent* above average.

Not only do women encourage more drinking: they also tend to go for the high profit margin products like lager, wine, spirits and soft drinks. A regional *breakdown shows, not surprisingly*, that it is in the south east that women are most frequently propping up the bar—on average 24 per cent of the customers there are female and pub traffic is 116, as against the national average of 100. Then comes the north with a 19 per cent penetration and traffic of 108. The Midlands and Wales and the West trail behind.

Women are thickest on the ground on Friday and Saturday nights when they make up 27 per cent of the total and help boost the traffic to 204. Only 14 per cent of the customers at lunch time are women and then the pubs are operating at less than 50 per cent of their average traffic. And Sunday lunch time remains a male preserve.

A. T.

● Benton and Bowles will produce the advertising for Bosch, the German motor accessories company which has an annual advertising budget of £500,000.

● OBM has gained the JVC (UK) account after competition with Harrison McCann and National Advertising. The company, which manufactures hi fi equipment music centres, etc., spends around £1m on advertising. It was formed only six years ago but has taken the lead in the fast growing home video market.

● Gillette and J. Walter Thompson have parted company worldwide. Acording to JWT chief Don Johnson Gillette's decision follows the agency's acceptance of business from Warner Lambert. Gillette has a non-compete policy which means that JWT could not accept any assignment from a company which Gillette views as a competitor even in a market where a JWT agency was not working directly for Gillette. JWT ... for the Warner Lambert subsidiary Shick in the U.S. and on such products as Listerine in the UK. The loss of Gillette could dent JWT's international billings by around $25m.

THE BEST NEW RELEASES

Instant custard tops them all

BY MICHAEL THOMPSON-NOEL

LET THEM eat custard. In the midst of chaos and strife, the British grocery trade has demonstrated a hankering for traditional values by voting Brown and Polson's Instant Mix Custard the best new grocery product of 1978 in the annual poll conducted by Super Marketing magazines.

Top-placed non-food product, and No 2 overall, was British-American Tobacco's State Express 555 King Size, with Cinzano Rosé (No 7 overall) the highest-placed alcoholic drink.

Other *favourites* that made it into the best-selling Top 10 include Cadbury's Double Decker (4th), General Foods' Birds Apeel powdered soft drink (5th), Life Savers' Bubble Yum (8th) and Kellogg's Cracklin' Bran (10th).

Third place

But confirmation that 1978 was the year for custards comes with the placing of Batchelors' Quick Custard in third place overall. Instant mix custards require only the addition of boiling water. According to CPC (UK), which owns the Brown and Polson brands, research shows that only one in five housewives has so far tried instant custard, although the two new products (their's and Batchelors') have to date added £6m to the custard market, taking it from £12m in 1977 to £18m at present. Both brands claim market leadership. CPC's sales and distribution director, Bill Durrans, says sales of instant custard could eventually reach £30m.

Now that it has topped a poll covering 270 new product launches of 1978, Brown and Polson is plugging on with an expanded marketing campaign for its new brand this year, including £1m worth of TV advertising via JWT, new pack graphics, a 3p-off coupon destined for 11m homes next month, and new case displays. CPC says it's instant custard is Britain's fastest-growing desserts product. It's said to be equally good hot or cold, costs 16p a pack, makes four generous servings and goes nicely with tarts.

The Super Marketing poll was carried out among a panel representing 84 per cent of the total buying power—multiples, Co-ops and independents—in Britain's £11bn grocery market. Results of the first Top 20 poll, published in 1970, included numerous products that have since made a really big name such as Hirondelle wine, Cadbury's Smash, Country Life butter and Blue Band margarine.

BAT's State Express 555 King *Size cigarette was launched* nationally last May with all the hoopla you can get for £5m. State Express claims it finished the year with a larger-than-expected 7 to 8 per cent in the £1.8bn king size sector, contributing to gains which have pushed sales of king size to 58 per cent of the total cigarette market.

Cadbury's Double Decker, in fourth place, was launched nationally last January and *claims sales of £16m. It will* get £1m worth of advertising this year via Young and Rubicam. As for Cinzano's Rosé (Martini has its own Rosé brand on the market), Cinzano reckons it should capture up to 15 per cent of the total vermouth market, currently worth £120m, by the end of this year.

Twenty

Full list of winners: 1, Brown and Polson Instant Mix Custard; 2, BAT's State Express 555 King Size; 3, Batchelors' Quick Custard; 4, Cadbury's Double Decker; *5, General Foods' Birds* Apeel; 6, Players' No. 6 King Size; 7, Cinzano Rosé; 8, Life Savers' Bubble Yum; 9, Van Den Berghs' New Summer County Soft Margarine; 10, Kellogg's Cracklin' Bran; 11, Schweppes' Russchian; 12, GF's Space Dust; 13, Cadbury's Pint Size; 14, Pedigree's Chicken Whiskas; 15, Findus Double Deckers; 16, Wills Regal King Size; 17, Jeyes' Brobat Bleo Flush; 18, Associated Biscuits Jacob's Golden Orient; 19, Martini Rosé; 20, Colman's Gravy Pot.

Saatchi's—soaring fast

J. WALTER THOMPSON has regained its position as the UK's largest advertising agency, according to figures released by MEAL. It is virtually impossible to get exact comparable data of the size of agencies but at least MEAL, working on clients' brand expenditure at rate card costs in television and the main consumer press media, is an impartial guide.

The top ten agencies are listed below, and reveal the outstanding progress made by Saatchi and Saatchi last year, and perhaps more surprisingly, by Wasey Campbell Ewald, which has jumped two places. Between them the top ten controlled an expenditure of £342m, or 35 per cent of the advertising monitored by MEAL. This represents a 2 per cent fall in the share of the big agencies on the previous year.

TOP TEN AGENCIES

Ranking '78	Ranking '77	Agency	Gross Display Advertising Expenditure 1978 £m	1977 £m	% Change
1	2	J. Walter Thompson	49.7	45.1	+10
2	1	D'Arcy MacManus & Masius	48.7	49.2	−1
3	4	Saatchi & Saatchi Garland Compton	47.6	34.1	+39
4	3	McCann Erickson	46.3	43.9	+6
5	5	Ogilvy Benson & Mather	34.8	30.4	+14
6	6	Collett Dickenson Pearce	32.5	29.0	+12
7	7	Ted Bates	23.4	20.3	+16
8	8	Young & Rubicam	20.3	18.6	+9
9	9	Leo Burnett	20.3	17.6	+16
10	12	Wasey Campbell-Ewald	18.7	13.4	+39

Source: MEAL

Jeremy Bullmore, chairman of JWT, is not over-excited by the MEAL report. By the agency's own reckoning it has always remained the leader and his figures show a growth last year of 15 per cent rather than 10 per cent to £139m. Also, like most agencies these days, he is more concerned with revenue than turnover and with profit at the end of revenue. The new year, which is expected to be tough for advertising, has started remarkably calmly considering the distribution difficulties and the inability of some clients to manufacture and market brands. But given the cost of cancelling media it is likely that the problems sown in January will not be reaped for a few weeks yet.

THE JOBS COLUMN

Seven across the world, but eight in UK

BY MICHAEL DIXON

MORE than one recent telephone caller from overseas has given me the impression that he would already be sending me food parcels if he weren't sure they would be obstructed by neck-deep snow and cold-hearted pickets. So it feels good to be able to knock some of the artificial frost off that image of Britain by pointing out that the UK is preferred as the base for eight of today's 15 jobs for managerial workers with international horizons.

Even so, lest readers should accuse me of pressing patriotism too far, we will start with the seven posts located outside the UK.

In most cases the jobs are being dealt with by recruitment consultants for clients who may not be named. But the head-hunters have undertaken to honour any applicant's request not to be identified to the employer until specific permission has been given.

The first pair of jobs are being handled by Jo Jacobsthal of European Marketing Systems of 5, Avenue Beaumont CH-1700, Fribourg, Switzerland—telephone 037 24 32 80; Telex 36152. Although the posts are in different countries, both are with an international tobacco group.

One person, probably either French with fluency in English or British with developed understanding of the culture and language of France, is needed in Paris.

Responsible to the group's marketing director for Europe, the recruit will head its French operation employing towards 90 people, a minority located at five provincial offices. No manufacturing is involved. Nor is any really direct selling of tobacco, which in France is centrally controlled, as are most conventional forms of the allied advertising.

The activities therefore consist of other aspects of marketing such as sales promotion and merchandising, together with financial control. Mr. Jacobsthal sees this job as suited to someone with demonstrable skill in marketing branded mass consumer products allied to experience of commercial management, who is preferably no older than 45. The salary—which like those for the other non-UK posts, will be expressed in U.S. dollars—will be $50,000-$60,000.

From scratch

A similar salary is likely, and the same reporting responsibility is certain, for the tobacco group's other job, based in Madrid. Hitherto the company's sales in Spain have been through importers, but it now feels justified in setting up its own operations there.

The job is to start and develop the new organisation virtually from scratch. "Someone with the pioneer spirit," says Jo Jacobsthal, "probably a humdinger in sales of branded consumer goods, though by now a fair way up the management ladder—say a regional head with a big group." Familiarity with Spanish markets and culture is essential, although candidates must also be conversant with British industry and fluent in English. A third European language would be an advantage.

The rest of today's posts are all being handled by various members of the Grosvenor Stewart consultancy. Inquiries should be made, however, through either John Fulford or Stuart Adamson at Hamilton House, 15, Tilehouse Street, Hitchin, Hertfordshire — telephone Hitchin (0462) 55303; Telex 25102.

Their first offer is with a Scandinavian group wanting a British-cultured marketing ace, probably aged 30 to 40, to run its business in the Philippines and from there also to look after operations in Indonesia. Candidates must be able to show extensive, successful experience in the international marketing of ethical pharmaceuticals. Salary about $25,000 (which should be virtually tax-free) plus housing, company car with driver, and other expatriate benefits.

Another pharmaceutical-marketer with UK and, preferably, international experience is wanted in Hong Kong as a market development manager reporting to the South East Asia marketing chief of a big drugs and household medicines group. The newcomer, who will be expected to earn the general managership of a subsidiary in two years or so, will probably be 25 to 35. Salary about $30,000 (maximum personal tax in Hong Kong is effectively 16.5 per cent). Car, plus other expatriate benefits.

Up-to-date

There is a second opening in Hong Kong for a 28- to 35-year-old market-research expert, experienced in fast-moving consumer goods and practised in the development of new products. Command of up-to-date techniques of testing markets before and after advertising is essential. Salary, again embellished by various expatriate perks, will be around $26,000.

Back with pharmaceuticals to Paris, the base from where a large American group wants a widely capable marketing person to direct its commercial and marketing services in Africa and the Middle East. Experience of similar work in those two parts of the world is needed, and if some of that experience has been associated with pharmaceuticals, so much the better. This job has much to do with corporate and strategic planning of the group's business, so a higher degree in management would be a useful "extra." Salary will be upwards of $40,000.

Now to Trinidad where a large UK construction group needs someone aged 35-45 as chief executive for its 180-staff operations in the Caribbean. Current work there includes four major projects. High-level negotiating ability is wanted, plus consummate experience in project management in building and civil engineering. A related degree would be a help. No salary is quoted, but I would estimate $24,000-$30,000.

And so to the UK, where the four unidentified jobs with international horizons are as follows:

A chemical company wants a demonstrably capable managing director to be concerned particularly with a range of specialist fine chemicals in developing business in Europe and various English-speaking lands. Salary at least £15,000, plus car.

Similar pay is probable for the new technical director of an agricultural chemicals concern, who will be particularly responsible for its technical and regulatory affairs in the Common Market and in other parts of Europe.

Developing business in Germany and France for a consumer products company will be the main task of another preferably British-based job for a European regional manager. As well as appropriate experience with the same kind of industry, candidates will need to be fluent in French. Salary about £10,000, plus car.

Fourthly, a sales and marketing manager is wanted to direct the growth of the European operations now being set up by an American safety-equipment concern. Experience in identifying, motivating and supervising distributors is required, ideally in the same field. Salary, again plus car, is about £12,000.

Finally to the four identified, UK-based jobs which—as might have been guessed—are all in the international head-hunting business of Grosvenor Stewart itself. Two are for experienced senior consultants who are expected to earn £12,000-£14,000. Two are for junior consultants, probably in the £8,000-£10,000 bracket, who might be people from other specialisms wanting to add recruiting skills as an extra string to their bow. All would probably work from either Hertfordshire or Surrey.

FINANCIAL CONTROLLER

City c.£10,000

Our client consists of a group of underwriting agencies and itself forms part of the Stewart Wrightson Group. Continuing growth in both size and complexity of business handled necessitates strengthening the finance capability of the agencies by recruiting a qualified accountant as financial controller.

The controller will be responsible to the chairman and will be an active member of a small management team. The range of responsibilities will include supervision of the accounts department, the preparation of appropriate reports to management and to statutory authorities, the control and investment of funds, and the development of systems which are computer based.

This is a challenging opportunity in a growth situation, requiring someone of maturity and personality; experience in insurance is highly desirable. The salary is negotiable around £10,000 per annum, plus a generous non-contributory pension scheme.

Applicants, male or female, should write in complete confidence, giving full details of previous experience and current salary to J. W. Hills, Annan Impey Morrish, Management Consultants, 40/43 Chancery Lane, London WC2, quoting reference P1478.

A.I.M.

C&L

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A leading firm of stockbrokers seeks an analyst for its banking and insurance sector.

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Remuneration will not be a limiting factor.

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Management Consultants

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Charles Barker
Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street, London EC4A 4EA.

Deputy Group Secretary

N.W. London c. £8,500+car

Our client, a leading public quoted company within the leisure and service industries, wishes to appoint a Deputy Group Secretary.

Applicants should preferably be Chartered Secretaries (or equivalent) in their 30's with broad based company secretarial experience in a large group of companies. Experience of Stock Exchange regulations, acquisitions, office services, pensions and personnel management would be an advantage.

Initial salary is negotiable c. £8,500 plus car and comprehensive benefit package, and there are excellent career development prospects within this fast expanding organisation.

Reference 1506

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The successful candidate will function in three capacities — as a strong manager, influential advisor and a creative strategist. Although the job will inevitably be coloured by our existing philosophies, this will not inhibit the freedom to innovate. The Personnel Manager will not be held back by convention, formality or by traditional barriers and will function with a high level of autonomy.
We are looking for a man or woman, aged 30-37, with at least seven years' experience in a wide range of personnel disciplines culminating in a role of real responsibility. Experience in the financial commercial sectors would be advantageous but is not essential.
The salary for this post — which reports to a Board Director — will be up to £13,000 per annum plus an executive car, productivity bonus, share options, free pension, life assurance and BUPA.
There is also a generous relocation allowance to Wiltshire
Our standards are high and we are looking for top performance and first class results. In return, we offer a stimulating, demanding and exciting job in a refreshing, dynamic and successful company which aims to keep on growing.
Please write to or phone Liz Gibney on Swindon 27614 for more information and an application form.

HAMBRO LIFE ASSURANCE

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Reply in strictest confidence to: Box A.6623, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIAL ACCOUNTANT

London c. £6400

British Gas wishes to appoint, at their Holborn Headquarters, a Financial Accountant to be responsible for the preparation of accounting statements to be used by Management throughout the Industry.

Certain aspects of this work are already computerised and the successful applicant will be involved in extending such methods to other management accounting statements as well as maintaining current systems. Computer experience in such activities will be an advantage.

Applicants should preferably be at least part-qualified Accountants and have obtained at least 3 years' relevant experience in management and financial accounting, preferably within large undertakings.

A starting salary of about £6400, within a range of £6210-£7270 pa is envisaged plus current self-financing productivity payment.

Please write giving full details of age, experience, qualifications and current salary, quoting reference F/015801/FT, to the Senior Personnel Officer (London), British Gas, 59 Bryanston Street, London W1A 2AZ. Closing date for applications 16 February 1979.

BRITISH GAS

Financial Accountant

£7,000 + Uxbridge

Rank Xerox require a Qualified Accountant preferably with commercial or industrial experience to join a small, highly professional team of Financial Accountants based at the UK Headquarters in Uxbridge.
The person appointed will be involved in all aspects of financial accounting namely – the production of accounts; review and control of multi-million pound cost and revenue budgets; profit control; appraisal of performance and production of operating statements. He/She will also be expected to create and maintain effective communications with line and functional management throughout the organisation.
We shall be looking for someone aged 24-30 with the ability to deal with the financial aspects relating to a multiplicity of business problems and with the personality and confidence to explain and promote ideas. The ideal person will possess an eye for detail, enthusiasm and the drive and capacity to rise to a more senior position.
We offer a salary around £7,000 with the wide range of big company benefits expected from a major international organisation.
To apply please contact David Simpson, Senior Personnel Officer, Rank Xerox (UK) Ltd., North Orbital Road, Denham, Bucks. Tel: 01-332 2355.

RANK XEROX

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Candidates must have general management experience in a sophisticated manufacturing environment. This should have included investigative and analytical work aimed at improving profit performance. Candidates must have a degree or equivalent, plus post-graduate management education and ideally be in their 30s. The employment package includes a car and relocation assistance to London.

PA Personnel Services Ref: GM56/6744/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

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The Assistant Director Administration,
J. HENRY SCHRODER WAGG & CO. LIMITED,
120 Cheapside, London EC2V 6DS.

SCHRODERS

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London

Lindustries Limited is an industrial holdings group with sales of about £90 million and over 7,000 employees. More than twenty subsidiary companies in the U.K. and overseas manufacture and sell a wide range of engineering, textile and polymer products.
The Group Secretary, who is also a member of the parent Board, is progressively assuming other responsibilities. There is therefore a vacancy for someone to succeed him as Group Secretary and also to be responsible to him for the administration of the Group's insurance and property affairs and for matters connected with the subsidiary companies. Duties may also include drafting contracts, agreements, licences, conditions of sale and purchase etc., liaison with the Group's solicitors and other advisers and giving guidance throughout the Group on UK, EEC, and international legislation.
Applications are invited from candidates, probably in their 30s, who already have several years' relevant commercial and administrative experience. Preference is likely to be given to those who are qualified solicitors or chartered secretaries. An attractive salary will be offered and other benefits include a company car.
Applications with a cv and details of current remuneration should be addressed to: Mr. R. J. Lupini, Personnel Director, Lindustries Limited, Trevor House, 100 Brompton Road, London SW3 1EL.

هكذا من الأصل

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To deputise for the present underwriter and share the task of developing further the company's overall Marine and Aviation portfolio. The balance of your experience will be Hull, with knowledge of Cargo and Aviation. You may now be working for a company or broker. Age bracket 30-45.

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Please reply to us, stating age, current salary and how you meet our Client's requirements, quoting reference GM/3976/FT on both envelope and letter. Men and women are invited to apply. No information will be disclosed to our Client without permission.

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The Director will be personally responsible for the management and professional control of the Unit's staff and activities, and on taking up post will formulate policies and a programme for the Unit in agreement with the *Tripartite Steering Group* on Job Satisfaction with the aim of maximising its general effectiveness and impact.

Candidates (men or women) must have recent industrial experience, either with management or a trade union, in the fields of job satisfaction and the quality of working life generally. Leadership and representational qualities, and ability to manage a multi-disciplinary team, essential.

This London appointment is for a period of 2-3 years. It would be suitable for filling by secondment in agreement with the successful candidate's present employer. Starting salary will be within the quoted range.

For full details and an application form (to be returned by 8 February 1979) write to Miss W. M. Browne, Est. A5, Department of Employment, 12 St. James's Square, London SW1Y 4LL, or telephone 01-214 8290.

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a promising management role up to £6,500

If you can combine a sound knowledge of computer-based accounting techniques with successful man-management experience, you'll be a prime candidate for this important new position which is seen as the ideal proving ground for short-term advancement within our rapidly expanding Premium Administration Department.

From the start, you'll be given full responsibility for all aspects of the banking and renewals functions, and will be involved in a number of special projects such as the implementation of new monetary control systems. As such, you'll be making a vital contribution to the development of one of the most progressive organisations in the financial sector, which within 7 years has grown to become the UK's largest unit-linked insurance company with assets totalling some £600 million.

To interest us, you'll need 'A' level education plus effective communications skills: formal qualifications in accounting or banking will constitute a major advantage. Convince us that you can do a great job for us, and you'll be able to negotiate a salary of up to £6,500 – which is backed by wide-ranging benefits including free pension, life assurance and BUPA schemes. Generous assistance with relocation to the Wiltshire area will also be provided.

For more information, ring Liz Gibney on Swindon (0793) 27812 (answering service operates outside office hours). Or write to her at Hambro Life Assurance Limited, Hambro Life House, Station Road, Swindon, Wiltshire SN1 1EL.

HAMBRO LIFE ASSURANCE

Marketing Director

Consumer Durables £15,000

A well known and successful public company has a high reputation for the quality of its consumer durable products. It has recently formed a new company to introduce a completely new range of products which will combine wide appeal with excellent value. A Marketing Director is required for this new venture. Initially he or she will be responsible for formulating sales and marketing policies and building an effective organisation in order to implement these. This challenging appointment calls for proven experience of selling consumer durables, at top level, to departmental stores, multiples and discount houses. Thorough familiarity with sales promotion, market research and national advertising is also required. The preferred age group range is 35-45. Salary will be negotiated up to £15,000 and other benefits, including company car, are excellent. Location: near London.

Reply to PA Personnel Services
Ref: SM3/6745

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Financial Journalist

required as

NEWS/STAFF WRITER

ACCOUNTANCY, the journal of the Institute of Chartered Accountants in England and Wales, wishes to engage a Senior News/Staff Writer.

This is an unusual opportunity for a highly competent financial journalist working with a leading newspaper or journal who would like to specialise in writing on accountancy and financial subjects for a professional journal.

Applicants need not be qualified accountants, but must be able to communicate at all levels, dig out the facts and put together readable, factually accurate stories.

The successful candidate will be paid a very attractive salary.

Please send brief details of your experience and career to date, in strict confidence, to: K. A. Curl, Personnel Manager, The Institute of Chartered Accountants in England and Wales, P.O. Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ.

Accountancy
Journal of the Institute of Chartered Accountants in England & Wales

CANADA FINANCIAL PROFESSIONALS

C. $30,000 + Benefits

Our client, a fast growing Canadian multi-national leader in a high technology industry, has a turnover in the area of $1,500m. The company has an unprecedented growth record and expects to at least double sales in the next 4-5 years.

The company is now seeking young experienced and ambitious Financial/Control Professionals to strengthen its finance team. Initial assignments are likely at corporate or subsidiary headquarters and will include significant involvement in long range planning, forecasting, business analysis and a variety of special projects.

Candidates probably aged 27-34, will be qualified accountants and/or have acquired a financially orientated M.B.A. Demonstrating a record of proven technical competence, they should have gained experience in a sophisticated industrial environment and adhere to the concept of strong control and reporting disciplines. A flexible committed attitude is essential and candidates must have the presence and ambition to advance to senior management.

For more detailed information and a personal history form write or telephone Nigel V. Smith, A.C.A., or Peter Dawson quoting reference 2352.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Chief Accountant

c. £9,000 + car Based West of London

We are a rapidly expanding U.K. subsidiary of a major U.S. corporation manufacturing and marketing a wide range of pharmaceutical and toiletry products. Annual turnover is around £30 million, including substantial exports. The Chief Accountant is responsible to the Financial Controller for all financial and cost accounting services, preparation of reports to tight deadlines, cash management and credit control and has a supporting staff of 40 people. This is a key position in a challenging environment and the successful candidate, probably aged 28-35, will have previously gained all-round financial experience in a medium large-sized organisation and now wishes to consolidate this experience at a more senior level.

A competitive starting salary will be negotiated, at around £9,000 p.a. although this could be higher for an outstanding candidate. The benefits package includes the full use of a company car (Granada) plus the other usual fringe benefits associated with a multi-national company.

Ref: A8714/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

INTERNAL AUDIT OFFICER OPPORTUNITIES

£5,325 to £7,050 p.a. + Staff Mortgage

The Alliance is one of the largest national Building Societies employing 1,600 staff at its Head Office and 140 Branches throughout Great Britain.

An opportunity has arisen within the Internal Audit Department for two Internal Audit Officers who will be responsible for the design and supervision of audits covering all aspects of the Society's financial operations.

Applicants, male or female, should be young, newly qualified accountants who can demonstrate effective communication skills. Experience of modern auditing techniques and a working knowledge of advanced computerised systems would be useful. Some travelling may be entailed on special projects.

The salary range appropriate to these positions is £5,325 to £7,050 per annum, and the starting salary will depend on previous experience. This salary can be significantly supplemented by generous assistance with house purchase, an excellent Pension Scheme, subsidised medical insurance and first class sports and social facilities.

If you are interested, please write giving details of your age, experience and qualifications to:—

M. A. Nicholson,
Staff Administration Manager, Alliance House, Hove Park, Hove, East Sussex BN3 7AZ

ALLIANCE BUILDING SOCIETY

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

BOND DEALER — DENMARK

Privatbanken – one of the biggest banks in Denmark – seeks a Bond dealer to join a team of about 10 people engaged in international securities trading, analysis, and customer counselling.

The successful applicant will work in the Head Office in Copenhagen.

Candidates should have:–

Good experience in international bond dealing (3-5 years), including functioning as a market maker, and knowledge of settlement procedures;

Knowledge of primary market activities – issuing and placing procedures as well as investment activities;

Knowledge of and experience in funding activities;

General knowledge and experience in dealing in important stock markets, e.g. in the U.S.A., U.K., West Germany and Japan;

Some experience in dealing in special securities (Certificates of Deposit etc.);

Additionally, some background in economic theory would be desirable. Candidates who have participated successfully in AIBD's seminar will receive preferential consideration.

Age: 22-30 years.
Languages: English, and preferably a Scandinavian language.
Salary: According to qualifications.

If you are interested, please contact DAVID GROVE.

First floor
170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

OPPORTUNITY FOR ABLE PROFESSIONALS

A major Financial Planning Organisation has two vacancies and wishes to interview young Stockbrokers and other professionals who currently feel that they are restricted and not in the right environment for their talents. Preference given to those with experience in the investment field. Salary plus bonuses negotiable.

Write to Mrs. Joyce Ward, Investors Planning Associates Limited, 62, The Parade, Watford, WD1 2LN, Herts.

Banking

Chartered Accountant(s) — **£9-£12,000**

Two of the City's leading international banking institutions currently seek C.A.'s in their late 20's, preferably with some banking experience, to fulfil key positions within their expanding internal accounting areas. Ref: AJT

$ C.D. Dealer — **£12,000 +**

A young dealer, ideally 25-29 and with a minimum of 3 years' active trading experience in certificates of deposit, is offered a developing career opening with this well-established international bank. Ref: NCP

F/X Dealer — **c. £9,500**

A prominent and substantial international merchant bank requires a positive young dealer with a broad exposure to active dealing in both exchange and currency deposits. Ref: NCP

Snr. Credit Analyst — **c. £10,000**

A leading merchant bank seeks a senior analyst, almost certainly U.S. bank trained, who has the capacity to train and motivate a young team of professional analysts. Ref: AJT

Credit Officer — **to £8,500**

An experienced credit analyst, mid/late 20's, is required by a distinguished consortium bank to lend support to its expanding and specialist credit department. Ref: TOK

For further details in confidence
telephone 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside, London EC2 Telephone 01-248 3812/3/4/5

COMMODITY TRADER

Metallgesellschaft, who are Ring-dealing members of the London Metal Exchange, are now seeking an experienced trader to head their Rubber Department, which is an offshoot of the long established Frankfurt based Kautschuk Gesellschaft m.b.h. Applicants in the age range 30-40 should have substantial experience in both physical and futures trading in rubber and/or other soft commodities.

Applications in writing only, providing full curriculum vitae, to:—

The Managing Director,
Metallgesellschaft Limited,
19-21 Great Tower Street,
LONDON EC3R 5AQ.

BRITISH BROADCASTING CORPORATION

CONTROLLER SCOTLAND

The Board of Governors of the BBC in consultation with the Broadcasting Council for Scotland will shortly be considering this important appointment.

It is expected that candidates should be able to offer a demonstrable commitment to the development and administration of public service broadcasting in Scotland and a sensitive awareness of the broad policy factors involved, together with a high level of managerial and editorial experience.

Anyone who wishes to be considered should in the first instance write within a week to **the Director-General of the BBC, Broadcasting House, London W1A 1AA.**

BBC

Young Accountants Develop into Top Financial Managers with Procter & Gamble

For many years now we have been recruiting young accountants, often newly qualified, and helping them develop into top-flight financial managers holding senior positions in Procter & Gamble in this country and around the world.

How?
By selecting able young people, giving them fast and practical training supervised by experienced professionals and making sure that they have all the opportunity they need to take on the biggest jobs they can handle.

What does this mean to you?
Our financial managers play a key role in the company's future as an integral part of the management team which keeps the business running successfully and shapes future policy and action. Since we promote only from within the organisation and strictly on merit, you can progress as far as your abilities and efforts will take you. And while you're building for tomorrow, you can enjoy today. The work is challenging and satisfying and involves close contact with other key functions such as Marketing, Research and Development, Manufacturing, Buying and Distribution. The material rewards, too, are very competitive.

Interested?
If you are a young qualified accountant (age up to 25) with ambitions for a progressive career in financial management and the energy and ability to achieve it, write to:

Director, Finance Division,
Procter & Gamble Limited, P.O. Box 1EE, Gosforth,
Newcastle upon Tyne, NE99 1EE.

PROCTER & GAMBLE LIMITED

Tide, Daz, Ariel, Bold, Fairy Snow, Dreft, Fairy Liquid, Fairy Household Soap, Flash, Lenor, Camay, Fairy Toilet Soap, Head & Shoulders, Crest, Industrial Food Products, Industrial Cleaning Products, Industrial Chemicals.

CHIEF EXECUTIVE

To £15,000 Car
MIDLANDS

You will have responsibility for the overall performance of a well established, profitable packaging company, part of an international group.

Aged at least 35, you will be an experienced senior executive with in-depth knowledge of the plastics business.

For an initial exchange of information contact Keith Diver on 01-248 6321.

Personnel Resources Limited
Recruitment Consultants

Q.S. BANKING CONSULTANTS

Graruate Corporate Lending Officer	to £10,000
Head of Clean Collections	to £6,500
Bank Librarian	£5,500
Junior Credit Analyst	£5,500
Loans Administration	to £5,000

We should also like to hear from Accounts, FX Administration, Documentary Credits and Young Clearing Bankers who are desirous of progressing their careers.

Please Contact:
Mike Pope or Sheila Anketell-Jones
20 Queen Street, EC4
Telephone 01-236 0731

PROJECT ANALYST

c. £7,000

International Decision Making

This quoted British group with wide UK and overseas interests has achieved conspicuous profit growth both internally and by acquisition. The corporate headquarters, located in the Southern Home Counties, includes a high calibre financial staff intimately involved in the control and creative decision-making of the group.

The Head of Corporate Planning has a small team of analysts identifying and appraising business situations and working on a wide variety of projects. As a result of internal promotions and increasing demand for their services, an additional man or woman is needed.

The duties primarily involve the investigation and evaluation of business opportunities and markets at home and abroad, and in addition there will be involvement in forecasting, fund-raising, acquisitions and other financial functions. When decisions have been taken, there may well be occasions for assisting in their implementation, and it is from this that there could be substantial opportunities in either the financial or commercial areas of the group.

Candidates in their mid 20's should have a very good degree and must be numerate. Intellectual integrity and the ability to formulate, present and sustain an opinion verbally and in writing are essential. Some relevant business experience of economics, finance or accountancy in a disciplined commercial or industrial environment is necessary.

The salary is negotiable, and there is a sensible relocation package in addition to normal group benefits.

Candidates should send a detailed career history to the consultant advising on this positon, quoting reference G144/FT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

METAL ANALYST
TO £12,500

Research Department of American Commodity Brokers has moved to London and seek an Economist who is completely familiar with the metal market and accustomed to long and short term research and forecasting. For more detailed information, contact in confidence Gino Rican on 828 8055.

01-828 8055/7361

Churchill Personnel Consultants
Alford House, 15 Wilton Road,
London SW1V 1LT.

Chief Insurance Manager

c. £12,000 plus car

To manage all insurance activities, apart from pensions, for a major manufacturing company with a substantial export turnover.

As an indication of the size of the job annual premiums are close to £10 million. Qualified, ideally F.C.I.I., you will need to have had at least 10 years appropriate experience, gained preferably in a management capacity in the insurance department of a large industrial concern, otherwise with a major brokerage house or an insurance company with a preponderance of industrial clients. Age range 40-45.

Excellent big-company conditions including, if necessary, relocation allowances to a pleasant Southern location.

Applicants, male or female, please send full career and personal details, quoting reference 1352KS/FT to:

Robert Lee International
24 BERKELEY SQUARE, LONDON W1X 5AR.

CHIEF ACCOUNTANT

London — c £13,000 + car

Our client is a substantial autonomous subsidiary of a multi-national company with a head office located in Central London. Resulting from an impending international promotion, the need is created for a Chief Accountant, who will report to, and deputise for, the Director of Finance, and will functionally administer and control the accounting and financial services, supported by specialist qualified management.

Specific responsibilities include the preparation, analysis and control of financial accounts, accounting information for the parent company, liaison with external auditors and co-ordinating preparation of statutory accounts; participation in forward planning of Treasury activities and Taxation administration; assisting Corporate Planning function with budget plans and forecasts. The successful candidate, probably aged 32-42, essentially will be able to provide objective financial acumen, co-operate with and obtain co-operation from all levels of management.

A salary of around £13,000 is envisaged, plus executive car and the normal fringe benefits of a large progressive company, including relocation expenses if appropriate.

Ring or write briefly, in confidence, to

ERIC JAMESON
PERSONNEL SELECTION
Personnel Selection Limited
46 Drury Lane, Solihull ... Telephone 021-705 7399 or 021-704 ...

This appointment is open to male and female applicants.

TRAINEE FUND MANAGER

John Govett & Co. Ltd.

John Govett are managers of investment trusts, unit trusts and pension funds totalling in excess of £350m. The successful applicant is likely to be between 23 and 26 years old, to possess a good degree or professional qualification, and to have had some City experience.

If you are ambitious and interested in making a career in investment management, write to:

Mark Cornwall-Jones, John Govett & Co. Ltd., Winchester House, 77 London Wall, London EC2N 1DH

TAXATION MANAGER

Central London — **c. £13,000 + Car**

Our client, a major U.K. industrial group, has over recent years substantially developed its overseas activities which, today, account for well over 50% of group turnover.

Over the last two years the group has established a centralised tax function which makes a valuable contribution to profits through sound planning and advice to operating management. The successful candidate will report to the Head of Group Taxation and will assume responsibility for the tax affairs of a major sub-group which has substantial international business activities.

Candidates probably in their late 20's or early 30's should have relevant experience gained either in industry, practice or the Revenue. They should demonstrate the presence and maturity necessary to communicate with senior management and be able to bring a creative approach to this challenging appointment.

For more detailed information and a personal history form, contact Nigel V. Smith, A.C.A., or Peter Dawson quoting reference: 2382.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants.
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Treasurer

We are the Eastern Hemisphere Headquarters of a rapidly expanding U.S. Corporation, providing services and products for the Oil industry.

The Position: To develop and expand the Corporate Treasury function with emphasis on total cash management including cash flow projections, currency exposure analysis and short-term money-market dealings.

The Applicant: preferably a qualified Accountant (A.C.A.; A.C.C.A.) with prior experience in a treasury position and used to operating in a multi-currency environment. The successful candidate would show potential for a future financial line management position.

The Rewards: Competitive salary and conditions are negotiable.

Candidates should send a detailed career history to Miss A. Wright, Personnel Assistant, Geosource U.K. Ltd., 3-5 The Grove, Slough, SL1 1QG.

GEOSOURCE

Instalment Credit Company
seeks

NEW BUSINESS EXECUTIVE

Bournemouth/Southampton

We are looking for an experienced executive aged 28/40 to join an enthusiastic team, active in the larger unit commercial and industrial hire purchase, leasing and first mortgage or professional fields, well able to enlarge the area of operations through existing contacts.

The successful applicant will preferably be already based in the Bournemouth/Southampton area, or prepared to move there on appointment.

Salary commensurate with ability and experience. Company car provided and other benefits include Non-contributory Pension and Life Cover; BUPA; Permanent Health Insurance Scheme; House Mortgage facility at preferential rate and four weeks' annual holiday.

Please apply in writing to:

Box L154, Walter Judd Limited,
(Incorporated Practitioners in Advertising),
1a, Bow Lane, London EC4M 9EJ.

هكذا من الأصل

An important autonomous subsidiary of substantial British owned company wishes to appoint a:-

Managing Director

Retail

This is a challenging appointment requiring PROVEN company management experience as well as a comprehensive knowledge of retail. Although the product range is entirely non-food, recent involvement in the development of mass merchandise operations such as Superstores, Large Scale Supermarkets or Hypermarkets would be an advantage. The company plans to quadruple, as well as to upgrade the number of its outlets during 1979.

The career prospects are excellent, both within the job itself, and at a later date within the group as a whole. The remuneration package is generous: It is negotiable to attract the most experienced and ambitious executive.

West London **Age 30-40** **Salary circa £16,000**

Applications should be forwarded as soon as possible quoting WFF

Robin R Whalley

INTERNATIONAL APPOINTMENTS (LONDON) LTD

(Executive Recruitment Consultants)
66/68 Haymarket, London SW1
Telephone: 01-839 1602/4
Cables: Interappt. London

SENIOR EXECUTIVES

If you are in the job market now—we are here to help. Coutts Careers provide:—

* Excellent job search assistance.
* A thorough knowledge of the job market.
* Contact with top recruitment.
* Confidential and expert counselling.
* Superb Secretarial back up.

Telephone now for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings
Trafalgar Square,
London WC2.

Regional Sales Manager

c. £8,250+Car

Scottish & Newcastle Beer Company (North) Limited has the task of selling Scottish & Newcastle beers and lagers throughout the North of England. This is one of the most competitive and challenging markets for all the brewery groups—but also one of the largest sectors for the free trade, with its large clubs and tradition of serious appreciation of good beer.

It is for part of this area that we are now seeking an experienced and professional Sales Manager to be responsible for the activities of six Area Sales Managers, 24 Representatives; a Promotions and Development Manager and a Loans/Administration Manager. We are in no doubt that this is a vitally important role in determining the future success of our company in the North West, based at Chorley. The Regional Sales Manager must provide the drive and enthusiasm to secure future penetration of a highly competitive market; the professional skills to direct sales effort most effectively; and the administrative back-up to ensure exemplary customer service.

This is not a post for anyone who is not experienced in a similar type of market. He or she must show a proven record of success in sales and sales management with a major UK company handling perishable consumer products. The Regional Sales Manager is an essential member of a senior regional management team and as such must be fully conversant with budgetary control and implementation.

The rewards include non-contributory Pension and Life Assurance, a company car and the prospects that only a big company committed to management development can provide.

Please write enclosing a full curriculum vitae to: **H. R. E. Crosthwaite. Development & Selection Manager, Scottish & Newcastle Beer Company Ltd, Gilmore Park, EDINBURGH EH3 9SB.**

Scottish & Newcastle Breweries Limited

Marketing Manager -Hong Kong

Over £20,000 per year + allowances

OUR CLIENT, The Hong Kong and Shanghai Banking Corporation, *requires a highly experienced senior* executive to co-ordinate the Group's short, medium and long-term *marketing activities.*

THE MARKETING MANAGER will undertake an extensive range of international marketing responsibilities, including the evaluation of present policies, the identification of under-developed market segments, the development of overall strategy and the implementation of approved corporate marketing plans.

CANDIDATES should have extensive line management experience in marketing, preferably in the commercial sector. The successful candidate will be fully conversant with the implementation *of marketing policies in a major* international organisation and he will be required to liaise at the highest executive levels within the Group. Personal qualities of poise, tact, maturity and determination will be called for, together with highly developed communications skills. The preferred age range is 38-45.

CONDITIONS of service are excellent. In addition to the basic salary quoted above, generous provisions will be made for housing, education and home leave.

PLEASE WRITE in complete confidence, enclosing comprehensive curriculum vitae and quoting Ref. No. HK1082/FT, to:

PA Management Consultants Ltd

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

F.X. CAREER ADVANCEMENT

Major U.S. Banking Group *requires two management* seeking people, fully involved with dealer support. Your previous general finance experience will *be handsomely rewarded by way* of a base salary to £4,500 plus bonus, 3 per cent mortgage and many other perks.

Contact:
M & J Personnel Consultants
01-439 1832

Advertisement Sales

The Investors Chronicle, Britain's leading investment and financial weekly is expanding its Advertising Sales Force. The new staff will be required to sell both financial and display advertising for a publication that has an increasing circulation, and they will be expected to participate in the growth and development of the magazine into the eighties.

Display Advertisement Manager

The person appointed will be wholly responsible for all advertisement sales and the performance of the Display Advertisement Department. He or she will have a thorough working knowledge of the latest advertisement sales techniques, be widely known among the principal London advertising agencies, and be capable of training and motivating the display advertisement sales staff to achieve the highest standards in the industry. He or she is likely to be occupying a senior sales position, and looking for an opportunity to demonstrate his or her management ability.

Display Advertisement Sales Executive

The person appointed will be responsible to the Display Advertisement Manager for a selected number of advertising agencies and clients. He or she may not necessarily be currently employed in advertisement sales but must show considerable ability to sell, and be currently looking for an appointment in which he or she can work independently and achieve clearly-defined objectives.

Senior Financial Advertisement Sales Executive

The person appointed will be responsible to the Financial Advertisement Manager for financial advertisement sales in the Investors Chronicle, and also be responsible for the development of UK advertisement sales in Barrons, the leading financial and investment weekly newspaper in the United States. This is an appointment with considerable challenge, and the person appointed will be expected to achieve a senior management position in the near future. He or she will have a thorough working knowledge of financial advertising and advertisement sales.

Financial Advertisement Sales Executive

The person appointed will be responsible to the Financial Advertisement Manager for the sale of financial advertising in the Investors Chronicle. The person appointed will have a good working knowledge of financial advertisement sales and will now be looking for an opportunity to develop his or her potential with the market leader.

The Investors Chronicle is a wholly-owned subsidiary of The Financial Times Limited—therefore salaries and benefits will be in line with those of a major publishing company. The Financial Times Group is expanding and offers considerable career potential to the right people. If you think you could fill any of these challenging appointments, write to me now.

Mr. A. W. Broke-Smith,
Advertisement Director,
Investors Chronicle, Greystoke Place,
Fetter Lane, London EC4A 1ND.

INVESTORS CHRONICLE

The financial weekly that really means business.

Finance Director

The Hammerson Property and Investment Trust Limited

Following upon the sad and unexpected death of Mr R. C. Fletcher, The Hammerson Property and Investment Trust now seeks his replacement as Finance Director.

Responsibility will be for all financial aspects of their world wide business; advising on policy for new finance if and when required, and its subsequent provision; and for relationships with financial institutions.

Someone of outstanding calibre is required, not necessarily with an accountancy qualification but preferably with experience of finance in the property market. Applicants who have spent a period on the international side of a Merchant Bank of high repute would be of particular interest.

The substantial five figure salary is negotiable.
Replies in strict confidence to, or telephone:

David Sheppard,
DAVID SHEPPARD & PARTNERS LTD.,
Management Consultants.
21 Cleveland Place, St James's,
London SW1Y 6RL. Tel: 01-930 8786

Meat and Livestock Commission

Director-General

The Commission was established under the Agriculture Act 1967 to promote productivity and product quality in the livestock and livestock products industries in Great Britain, from farm to consumer. Its main offices are at Bletchley and there are eight other offices (one in London) throughout England, Scotland and Wales. It has an income of approximately £6m per annum from a levy on the industry, and in addition receives a slightly smaller sum from the Agriculture Departments and the Intervention Board for Agricultural Produce for carrying out fatstock certification, price reporting, and EEC intervention duties on their behalf. *The total staff* number about 1,300, over half of whom are engaged on agency work for the Agriculture Departments.

The present Director-General is retiring in September, 1979, and applications are invited for his replacement as the chief executive of the Commission. *He is* responsible for executing the policies of the Commission in the fields of production, processing and distribution of livestock and meat. These cover livestock improvement, marketing, research, economics and meat promotion. He is also responsible for public relations, finance and staff and the agency work.

Candidates should have had considerable administrative and commercial or industrial experience. An appropriate salary will be *negotiated*. There is a contributory pension scheme. A car will be provided.

Applications giving career details should be sent to Ellis and Fairbairn, 26, Old Brompton Road, London, SW7 3DL, by 28 February, 1979. Envelopes should be *marked "MLC. For the attention of Mr. R. Fairbairn."* Candidates should give the names of three referees who may be contacted after initial interviews have *taken place.*

INTERNAL AUDIT MANAGER

West London c.£10,000 + Car

Our client is one of the largest divisions (turnover £250m) of a major U.K. *engineering group with substantial worldwide* manufacturing interests.

As a result of internal promotion, the company plans to appoint an Internal Audit Manager to direct and co-ordinate the function on a worldwide basis. Supervising a highly skilled team, he/she will have a broad responsibility to further develop financial and operating control procedures.

Candidates will be qualified accountants, probably aged 28-33 who have gained substantial audit experience in a large professional practice or relevant *industrial environment. A high level of intelligence and sensitivity* is required, combined with the ability to communicate effectively at all levels. Prospects for subsequent advancement within the group are excellent.

For detailed information and an application form contact
Nigel V. Smith, A.C.A., or Kevin Byrne, B.A., quoting reference 2358.

Commercial/Industrial Division

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel 041 226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel 031-225 7744

Business Analysis

Our client is the U.K. operation of a major multi-national marketing and industrial group. The Financial Analysis function is already well established and provides meaningful interpretation of financial and accounting data. This appointment as Financial Analyst gives immediate responsibility for the critical analysis of the performance and plans of a profit centred operating unit; the emphasis will be on *commercial interpretation rather than number* collation.

Young Financial Analyst

There will be involvement in co-ordinating the annual budgets and long range plans, the preparation of profit plans and of information on product cost, pricing and investment appraisal. The person appointed will play a key role in the operating unit.

It is likely that candidates will be 23/27 with sound educational achievements preferably to degree level with a business or financial specialism and two years exposure in commerce or industry. Candidates must be capable of rapid career development which will not necessarily be within the financial analysis function.

Circa £5,500
Mid Kent

Location is near Maidstone, Kent. Fringe benefits are good and will include re-location assistance where appropriate.

Brief but comprehensive details should be sent in strict confidence to: G. J. Cassell, New Appointments Group, Personnel Consultants, 5 Park Road, Sittingbourne, Kent. Tel: Sittingbourne 75431.

New Appointments Group
Personnel Consultants
nag

OUTBOARD MARINE BELGIUM N.V.

a subsidiary of Outboard Marine Corporation (U.S.A.), with production and marketing functions to serve Europe, Africa and the Middle East, is looking for a

SYSTEMS AUDITOR (M. or F.)

who will be in charge of analysing and auditing the various administrative and financial aspects of the affiliated distribution companies recently set-up in eight European countries, with the emphasis on standardized systems and high levels of internal control.

The function reports to the Administrative Controller of the European Subsidiaries located in Brugge, Belgium, and requires extensive travelling throughout continental Europe.

We look for candidates with the following qualifications:

— University degree (M.B.A., applied economics) or equivalent level by experience, maximum age: 35;
— strong background in administrative organisation, auditing and *U.S. type accounting;*
— large experience with mini-computer systems especially from a user point of view;
— ability to schedule and perform work through individual and *systematic approach;*
— fluency in English (working language). Knowledge of other European languages is an asset.

The salary will be in line with the background and experience *offered and, the incumbent will enjoy attractive extra-legal benefits* in an excellent working climate.

Applications, together with details and salary expectations are to to be sent to:

The Director of Industrial Relations
Outboard Marine Belgium N.V.
Pathoekeweg 72, 8000 - Brugge (Belgium)

Expanding European MNC is looking for a

MANAGER OF GROUP INSURANCE

for captive and global programmes including negotiation of insurance contracts on a worldwide basis.

Candidate should

—have solid re-insurance background and experience
—be able to negotiate and communicate at all levels
—be a self-starter and innovative-minded.

Working base will be London with overseas travelling carried out under a foreign employment contract.

Applications, including curriculum vitae and current salary, will be treated in strictest confidence and should be sent to Box A.6627, *Financial Times, 10, Cannon Street, EC4P 4BY.*

INVESTMENT MANAGEMENT

ADMINISTRATIVE ASSISTANT

LONDON Circa £7,000

An experienced administrative assistant required for Portfolio Management Department of an expanding international bank. The successful candidate will be fully conversant with all aspects of securities administration and back office services covering U.K. and overseas securities markets, including EUROCLEAR and CEDEL.

Knowledge of security analysis and portfolio management desirable although not essential as every opportunity will be given to develop those skills.

Ideally, applicants should be aged 25-35 and have had several years' experience with an international bank/investment institution or brokerage house.

Salary will be negotiable according to experience and carry normal banking fringe benefits.

Applications accompanied by a detailed curriculum vitae should be sent in strictest confidence to Box A.6626, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR LOCATION IN PARIS

Mid-Eastern young, fast-growing

INVESTOR GROUP

is seeking an experienced

INVESTMENT BANKER

with strong technical and marketing skills

Five years' experience preferred

Please send resume and photograph in confidence to:

CENTRE D'AFFAIRES GEORGE V
EXECUTIVE CENTRE
ATTN. MISS CHAMBOLLE
30, AVENUE GEORGE V
75008—PARIS—FRANCE

CHARTERING BROKER

Shipping Company in Antwerp requires Chartering Broker with minimum 5 years' experience. Fluency in Spanish an asset. *Please write Box A.6629, Financial Times, 10 Cannon Street, EC4P 4BY.*

FORTY PLUS TALENT?

It is a wise executive who learns how to make a successful career change.

If your job search is becoming a frustrating experience find out about the FORTY-PLUS CENTRE. London's new career service for top executives who are "forty-plus."

Telephone: 01-242 4875 for an appointment to see if you qualify.

FORTY-PLUS CAREER DEVELOPMENT CENTRE.
Templar House, 81-87 High Holborn, London WC1V 6LS.

40

ACCOUNTANT

UP TO £7,500 LONDON, WC1

This is an appointment for a thoroughly professional and conscientious accountant who prefers to work for a small concern and is not seeking promotion prospects. Ideally, candidates might be looking for a final career move to an environment of this kind. Our client is a financial corporation *associated* with the N.H.S. and controlling loans amounting to £20 million. The accountant will supervise the whole accounting function and provide financial advice and support to the General Manager. Candidates need not be qualified but should have computerised systems experience. Pension scheme.

Applications in confidence quoting Ref. No. 6348 to:

E. A. C. Griffin,
MERVYN HUGHES GROUP,
2/3 Cursitor Street, London EC4A 1NE.
Telephone 01-404 5801

British Airports

General Manager

Management Services

British Airports is a profitable nationalised service enterprise which owns and operates Heathrow, Gatwick, Stansted, Prestwick, Edinburgh, Glasgow and Aberdeen. The Management Services Department provides a comprehensive service using a main frame Honeywell 66/10 and has developed an integrated flight information system based on mini-computers with teletext facility.

As a senior member of Airport Services Director's head office management team, the General Manager will be concerned with improving the cost effectiveness of the operation; generating a creative environment and giving policy guidance. Subordinate department managers control data processing and other computer development; mini-computer systems; O&M. Staff number over 60 and current budgeted expenditure is £2m.

Candidates should have proven managerial skill and experience, a good knowledge of DP; O&M; business systems or advanced technology applications of information management.

Initial remuneration: negotiable from £10,000, possibly higher (scale now under review); car; index-linked superannuation scheme, etc.

Location Hayes, Middlesex, with a proportion of time at head office in Victoria. From 1981, re-locate to Gatwick.

Please write with relevant career/salary details – in confidence – to S. W. J. Simpson ref. B.38308.

This appointment is open to men and women.

MSL

United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

EARN

£8,000 P.A. TO £25,000 PLUS

A leading firm of investment and Taxation Advisers require additional Consultants for their London, Birmingham and Manchester offices. Successful applicants will have the ability and knowledge to explain clearly the advantages of a range of attractive investment plans which are prepared by an expert professional back-up team. Personality, intelligence, enthusiasm and the ability to work hard are the principal requirements. Technical training will be provided initially and on a continuing basis.

A permanent, highly-paid and exciting career is offered. Write enclosing photograph, full C.V. and Tel. No.

TOP TEN EXECUTIVE APPOINTMENTS,
5, West Halkin Street,
London SW1X 8JN.

Young Potential Partner

For Arab Chartered Accountants

London, to: £12,000

Our clients are a profitable fast-expanding London based Arab professional practice with interests in the Middle East, France and Germany. They now wish to strengthen their compact team by the addition of a qualified Audit Manager with demonstrable Partner potential. Handling clients with turnovers of £1,000,000 to £400m, the right candidate will have business acumen, man-management and problem-solving skills, flexibility, energy and a sense of humour.

Mrs. I.M. Brown, Ref: 19142/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Cyngor Sir DYFED County Council

Dyfed County Council, in co-operation with the six District Councils in the County through the Dyfed Industrial Development Joint Committee, is committed to a policy of reducing unemployment throughout its area and to this end the County established in 1974

THE DYFED INDUSTRIAL DEVELOPMENT UNIT

The Unit provides advice to firms in the County wishing to expand or maintain employment, and to firms outside the County considering the establishment of new enterprises within Dyfed.

The County Council is now seeking a replacement for the retiring County Industrial Development Officer, Mr. F. A. Grout, M.B.E., and, at the same time, has decided to expand the staff of the Unit to provide better geographical coverage of the County. Applications are, therefore, invited for the following posts in the County Secretary's Department:—

1. COUNTY INDUSTRIAL DEVELOPMENT OFFICER

(SEC. 77)—CARMARTHEN

GRADE: PO2(c) £7,968-£8,715 inclusive of Supplement

The successful candidate will be responsible for the effective operation of the Unit and for the preparation of all reports for the Industrial Development Joint Committee. He/she will advise the County Council on all matters relating to industrial and commercial development.

2. ASSISTANT INDUSTRIAL DEVELOPMENT OFFICER

(SEC. 93)—HAVERFORDWEST

GRADE: PO1(c) £6,513-£7,230 inclusive of Supplement

3. ASSISTANT INDUSTRIAL DEVELOPMENT OFFICER

(SEC. 103)—ABERAERON

GRADE: PO1(c) £6,513-£7,230 inclusive of Supplement

The two Assistant Industrial Development Officers will be responsible to the County Industrial Development Officer and while assisting him/her as required throughout the County, will pay particular attention to the needs of firms in their respective areas.

Applicants for all three posts must have held a responsible position in industry (preferably in an Assisted Area) or have direct experience of industrial development work. For the post of County Industrial Development Officer, experience at a senior managerial level will be required. Applicants must be self-motivated, willing to work outside normal hours and capable of negotiating on their own at boardroom level with potential developers, as well as understanding the needs and problems of small businesses. A knowledge of existing industry in Dyfed would be an advantage.

For all three posts a certain amount of travelling outside the County will be required and an "Essential" Car User Allowance will be paid.

Application forms, returnable by 28th February 1979, are available from the Director of Personnel & Management Services, County Hall, Carmarthen.

CANVASSING DIRECTLY OR INDIRECTLY WILL DISQUALIFY.

PANMURE GORDON & CO.

require a specialist Sales Executive in the

Convertible/Fixed Interest Market

The successful applicant will be joining an established team and will be expected to contribute to the formulation of ideas.

Ideally we are seeking a senior individual with substantial experience but are prepared to consider someone with lesser experience desiring to further their career. Salary is negotiable but will be competitive.

Please reply to:
G. F. Hallwood, Personnel Manager,
Panmure Gordon & Co.,
9 Moorfields Highwalk, London, EC2Y 9DS.

Director

Ceramics, Glass & Mineral Products Industry Training Board

to succeed the present incumbent, L. S. Newton, OBE, on retirement in September 1979.

The Board, whose reputation is high, was the first multi-industry Board. In harmony with national policy under the umbrella of the Manpower Services Commission, its objectives are the maintenance and improvement of training standards and manpower planning, the development of new concepts and the provision of comprehensive plans for training of manpower in the industries for which it is responsible. The Director advises the Board, implements its policies and directs its training and other specialists with full support staff. In collaboration with the Chairman he/she represents the Board at top official level with the Commission and other Government Departments.

Candidates, with backgrounds of distinction and repute, must have senior executive/general management experience in industry, preferably ceramics, glass or mineral products. Alternatively, comparable experience in higher education or the public sector welcome. Age limits 45 to 55.

Starting salary negotiable in the range £13,000 to £15,000; car, other benefits. Location, Harrow. Considerable travel to keep in close touch with the industries the Board serves is involved.

Please write with relevant career/salary details – in confidence – to S. W. J. Simpson ref. B.38306.

MSL

United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

HEAD OF PRIVATE CLIENT DEPARTMENT

A leading merchant bank requires to appoint a Director within its Investment Management Division to head the substantial Private Client Department. The candidate will be responsible for the management of discretionary funds and marketing investment services. The successful applicant will be aged 35/45 and will have had a successful career which will have included the management of discretionary funds, leading a team and promoting the acquisition of new business.

A substantial reward package, including usual fringe benefits, is available to the successful candidate.

Please write or telephone in confidence to:

Directorship Appointments Limited

Somerset Gibbs,
17 Devonshire Street, London W1N 1FS.
(01) 580 7357

FUND MANAGEMENT ANALYST

c. £10,000 (North American Desk)

Our Client, one of the largest and most highly respected of the City financial institutions, wishes to recruit an analyst to join a small team in the Investment Department. This has overall responsibility for research studies and for making recommendations to the management on both trading and long-term funds.

The successful applicant will have either a professional qualification in economics or finance, and will have gained previous experience within a similar institution or firm of stock brokers. A sound knowledge of the North American markets is preferred.

The total remuneration package could well be around £10,000 p.a.

Please contact in strictest confidence:
D. W. Clark, F.C.A. Ref. 601.

David Clark Associates
4 New Bridge Street, London E.C.4 01 353 1867

Manufacturers Hanover Leasing U.K. Ltd.

FINANCIAL ACCOUNTANT

We are the U.K. equipment finance subsidiary of a major U.S. financial institution and have a career opportunity for a qualified accountant.

Based in the City, the responsibilities will include:

★ Financial accounting and reporting
★ Cash management
★ Contract administration
★ Investigation and implementation of accounting and administrative procedures including the use of time-sharing facilities

Starting salary will be in the range £6,500-£7,500 depending upon qualifications and experience.

A generous fringe benefits package is also available consistent with that of leading banking institutions.

Please write in confidence, giving full details, to:—

Robert Chris,
Financial Controller,
Manufacturers Hanover Leasing U.K. Ltd.,
22 Austin Friars,
London EC2N 2EN

Director Designate

CONFIRMING HOUSE

Confirming, Export/Import and Trade Finance

Established London Confirming House (a subsidiary of a private international investment company), wishes to develop a Trade Finance operation in the UK and expand its existing Confirming activities internationally. Trade Finance will include import finance, accounts receivable finance, invoice discounting and stock finance.

This appointment is a rare opportunity for a self reliant and ambitious person to establish himself within a small management team.

Applications are invited from candidates, male/female, aged about 30-45 who have had practical banking or similar financial/commercial experience. Knowledge of international and domestic Bills of Exchange, Letters of Credit, ECGD Buyer Credits and Confirming House transactions, credit appraisal, the taking of security and the legal aspects of banking will be useful. A proven record of performance, strong financial expertise and instincts together with a personality able to negotiate with clients and banks at all levels is essential. The appointment will be as a Director Designate (to be confirmed within 12 months) and will include some travel, particularly to Africa.

A remuneration package including profit sharing, car and BUPA is negotiable.

Please write in confidence to:

The Chairman, Stenham Ltd.,
Stenham House, 25, John Street,
London WC1N 2EU

COMPANY SECRETARY

for

LLOYD'S BROKERS

Old established, rapidly expanding firm concentrating on the substantial business emanating from world-wide markets, with restricted specialised staff working on an extremely high profit ratio, with the highest average salaries in the Industry, about to go public with the principal object of additional expansion by acquisition, requires QUALIFIED ACCOUNTANT as Company Secretary.

Candidates, aged between 28 and 40, must have had previous experience in the Lloyd's field: be fully conversant in the running of an Accounts Department and in the handling of Overseas Currencies: be people of some presence, and capable of investigating the accounts of other Companies with the aid of the appointed Auditors.

Duties include the preparation of interim and final balance sheets, provision of running statistics, handling of investments, budgeting, advising Management of the impact of new legislation and supervision of all internal office requirements reporting directly to the Joint Managing Directors.

Only persons presently on high salaries, in current employment, with strong loyalty records should apply as this is an appointment where there is no stinting on reward, where a share in continually increasing profit is offered, in a Group where equity shares have been allocated to a number of long-standing employees and where the successful candidate must be able to play an important part in a progressive team.

Details in the strictest confidence to Box A.6628, Financial Times, 10, Cannon Street, EC4P 4BY.

EUROBONDS FROM £6,000, our client will negotiate a substantial salary plus benefits for person fully conversant in all aspects of Eurobond settlements. Min. 4 years exp. 499 5204. West One Appt's.

Business Development

Around £9,500 plus car

London

A major UK retail group with an excellent reputation and growth record has an exceptional vacancy in the Finance Director's small review team, which covers long-term planning, new business studies, competitor review, profit forecasting and various non-routine financial matters. This analyst will be particularly involved in new business studies. Location: near Blackfriars.

Candidates, aged say 26-30, are likely to be MBAs or economists. An accounting qualification is desirable. Prior experience should be in a sophisticated environment where "planning" goes beyond financial aspects to embrace wider marketing and commercial matters. The personal qualities appropriate to research and presentation at board level should be self-evident.

For a fuller job description write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1H 9DQ, demonstrating your relevance briefly but explicitly and quoting reference 7030/FT.

JC&P

Young Bankers

Merchant Banking

County Bank is seeking ambitious young bankers who wish to specialize in corporate lending. We offer the opportunity to join one of the professional teams in our Finance Division which is currently lending over £300 million in term finance to commerce and industry.

Ideal candidates will be aged 22/26, have a good academic background and some banking experience including possibly a knowledge of credit analysis and charged securities. They will have completed the examinations of the Institute of Bankers.

The Bank is expanding and there will be excellent opportunities for progression.

Please apply in confidence enclosing a C.V. to:—

David Woodward
County Bank Ltd. 11 Old Broad Street
London, EC2N 1BB

County Bank
A member of the National Westminster Bank Group

INTERNATIONAL ASSOCIATION OF LEASING COMPANIES

ADMINISTRATIVE MANAGER — LONDON

An association of some 21 Leasing Companies throughout the world seeks Administrative Manager to assist Secretary of Association based in London. The position will include corresponding with Members, lease referrals, a semi-annual bulletin and co-ordinating with the Association's Executive Committee. The applicant should ideally have some familiarity with international business but commercial school or an equivalent qualification is essential. Some knowledge of European languages would be an advantage. Age 22-30 years. Salary according to age and experience to include other benefits associated with U.K. employment.

Please apply in writing to Box A.6624, Financial Times, 10, Cannon Street, EC4P 4BY.

O. H. S. TRANSPORT LTD.

We are an international company operating in Europe and the Middle East and are looking for:

TWO MANAGEMENT PERSONNEL

The successful candidates for these posts will be M.B.A. graduates, preferably with an engineering background, fluent in Turkish (which is of utmost importance due to extensive business involvement with Turkey), French and/or German.

Frequent foreign travel will be necessary—Marketing, Insurance and Transport experience preferred.

Initial salary £8,000 plus the fringe benefits of working for a large organisation.

Selected overseas applicants interview can be arranged at company's expense.

For an application form (to be returned by 20th February 1979) write to:

THE PERSONNEL OFFICER, O.H.S. TRANSPORT LTD., MANOR WAY, NEW ROAD RAINHAM, ESSEX RM13 8RH.

FINANCIAL / BANKING / STOCKBROKING ?

COMMERCIAL ENTREPRENEURS

AGE 26-30s TO £8,750 PA

Our clients are the top professionals in their sphere of business which offers a financially orientated service to commerce and industry.

The work demands good experience across a broad financial/accounting spectrum including the reading of balance sheets.

You will need to be self motivated and able to represent the Company in meetings with top client management.

Three new executives are required so please telephone as soon as possible to arrange a preliminary interview.

TIM WEEKS 01-481 1506
MOORE & WEEKS LTD., PERSONNEL RECRUITMENT.
CORN EXCHANGE BUILDING, 52/57 MARK LANE, LONDON, EC3.

CHIEF ACCOUNTANT

Chief Accountant required by a Group of Private Companies in Essex engaged in the wholesale and retail meat trade. This post involves the preparation of monthly management accounts and annual accounts together with the supervision of all accounting and related administration functions. The commencing salary envisaged is circa £7,500 p.a. A company car will be provided and there will be participation in the Company Pension Scheme after a probationary period.

Please write with full personal details and C.V. to C.H.C., Rumford Chambers, 33, Market Place, Romford, Essex, RM1 3AB, reference P.M.

هكذا من الأصل

Financial Analysts

A crucial role supplying management information

£8,000-£9,000 p.a. – Reading

In a successful organisation the constant flow of effective and accurate financial information is essential to the decision making process.

Financial Analysis at the operational level is a challenging and stimulating task dealing as it does with rapidly fluctuating needs and priorities. It is at this level that we now wish to appoint two talented financial specialists to provide full information and guidance to our Functional Managers.

The positions are broadly similar sharing the following common aims;

Planning & Budgeting

In which you will assist Functional Managers to understand and use planning and budgeting processes.

Long Range Planning

Capital Expenditure Evaluation

Which will involve you in reviewing performance against budgets.

Business Management

—including pricing proposals.

Obviously these are positions which offer considerable influence in the further development of Digital and our day-to-day management. Our need, therefore, is for well qualified and experienced people, probably graduates with ACCA, ACA or ICMA plus about four years experience.

As you'd expect in an important position with the world's leading designers and manufacturers of mini computers, there's an attractive negotiable salary, comprehensive fringe benefits and an excellent career path. Relocation expenses will be provided where appropriate.

For full information, please write to Peter Murray, Planning and Analysis Manager, Digital Equipment Co. Ltd., 252-256 Kings Road, Reading, Berks. Please quote ref. 504.

digital

DEPUTY HEAD OF LOAN SYNDICATION

LOCATION BAHRAIN

A rapidly expanding syndication department of a major and growth-committed Gulf-based wholesale bank requires a Deputy Head of Syndication.

The candidate most suited will be 30 plus and will have had sound commercial banking experience with no less than three years in Loan Syndications, including Lead Management roles. His present location will be either the City of London or one of the acknowledged major syndication centres.

He will be required to travel extensively.

This is a CAREER POSITION of interest to somebody currently earning not less than £15,000. The salary will be negotiable, tax free for most nationals. Fully furnished accommodation will be provided plus a generous annual leave together with a paid return fare to home country for staff member and family.

All other benefits in the compensation package will be those usual to career bankers in the Middle East.

Please send your application and c.v. to:
V.P. HUMAN RESOURCES
P.O. Box 1017, Manama, Bahrain

All communications will be treated in the strictest of confidence

accountancy personnel

TREASURY ACCOUNTANT

Essex/London Border £8,000 + Car

Corporate Head Office of £100m turnover industrial group seeks ACA to monitor and control cash and credit management functions: high level of involvement with funding and policy-making. (Ref. 3210)

FINANCIAL CONTROLLER/CO SEC

Herts c. £10,000+Car

Experienced qualified financial executive and commercial decision maker (35-45) to join rapidly growing distribution subsidiary of multinational as key member of central management team. (Ref. 3510)

ACCOUNTANT: MANAGEMENT ROLE

City £8,000 + Car

Successful commodity trading group offers broad scope of responsibility to qualified person (25-30) in No. 2 finance position: control/train dept. of 12. (Ref. 3450)

COMPUTER LEASING

London SW1 £7,000-£8,000

Graduate ACA (25-28) to join $450m U.S. Co. Investigations/project orientated financial reviews and accounting: excellent prospects in fast growth industry. (Ref. 3408)

Please telephone or write immediately to:
Accountancy Personnel Senior Appointments,
41-42 London Wall, EC2M 5TB. Tel: 01-588 5105

Director of Purchasing

Above £12,500, plus car. *Spennymoor, Co. Durham.*

This is an opportunity to head up one of the most successful U.K. purchasing operations. Black & Decker Limited is highly profitable, growing and market leader in its product range — an independent part of an international marketing and manufacturing organisation.

We are looking for a Purchasing professional, who is essentially:

- ☐ *used to working in a fast moving, highly competitive environment*
- ☐ *familiar with U.K. and European sources*
- ☐ *used to employing advanced purchasing techniques around nil inflation objectives*
- ☐ *experienced in manufacturing industry particularly automotive, automotive supply or consumer durable organisations*
- ☐ *capable of dealing effectively with Black & Decker top management in U.K. and Europe*
- ☐ *prepared to provide high level thinking while working under operational rigours*
- ☐ *age late twenties to mid thirties, male or female*

The job holder, reporting to General Manager level, will have overall responsibility for 2 plant purchasing operations, over 3 sites, directing a team of around 30. There is a spend in excess of £20M growing at the rate of at least 15% per annum.

The Director of Purchasing will, in addition, provide a service in our search for completely new and diverse products and should be capable of influencing purchasing policy in the European Group of Black & Decker companies.

The post is vacant through promotion and has previously been a stepping stone to general management.

Location Spennymoor, County Durham. Removal expenses if required.

Please write giving brief career details, including job and salary progression to:
P. S. Simpson, Director of Organisation Development, Black & Decker Ltd., Cannon Lane, Maidenhead, Berks.
Telephone: 062 882 2130.

Black & Decker

Financial Controller

London W1 c.£9,500p.a.

An expanding group of companies with substantial interests in mining and housebuilding both in the U.K. and overseas requires a Financial Controller.

Reporting to the Financial Director and operating from Head Office, the Financial Controller will be responsible for controlling and supervising the accounting and financial activities of the Group. Important areas of responsibility will include the preparation and review of monthly management information, the consolidation of subsidiary company accounts and the control of bank borrowings.

The successful candidate, who will probably be around 30 years of age, must have:–

- ☐ A recognised accountancy qualification
- ☐ Sound post qualification experience particularly in the preparation of consolidated accounts
- ☐ Commercial experience gained preferably within a fast growing organisation
- ☐ Maturity of outlook and the ability to command respect from colleagues in the operating subsidiaries.

The salary for this career appointment will be negotiable around £9500 p.a., and other benefits will include an attractive pension scheme.

Applications from candidates of either sex, giving brief personal details/career history and quoting reference FT/69/F should be submitted in confidence to:–

TYLB

Turquand, Youngs & Layton-Bennett,
Management Consultants,
11 Doughty Street,
London WC1N 2PL.

Assistant

GROUP TREASURER

Finalist c. £7,000

An excellent opportunity to join an expanding function within the International Head Office of a major Civil Engineering Group.

Preference will be given to a graduate finalist or newly qualified ACA who will enjoy occasional overseas travel and excellent prospects for personal career development.

call
Robert Miles
01-248 6321

Personnel Resources Limited
Recruitment Consultants

HEAD OF MANAGEMENT SERVICES / DIVISIONAL MANAGEMENT ACCOUNTANT

London N.W. Negotiable salary

TI Domestic Appliances is a large and diverse division of Tube Investments and comprises 21 operating companies manufacturing products under such famous names as Creda, New World, Russell Hobbs, Sunhouse and Tower. The Group has a combined turnover of approximately £150 million.

This important appointment arises due to internal promotion: the Head of Divisional Management Services fulfils a major role in the Domestic Appliance Division and is responsible for the development and guidance of computer-based management information systems in several of the Division's companies, making use of divisional or group computing facilities where appropriate.

Reporting to the Divisional Finance Director, the Head of Management Services is backed by a young and enthusiastic team of numerate graduates. In the capacity of Management Accountant, the successful applicant will be involved on special accounting projects, which together with the financial bias of the systems development work, indicates the necessity for an Accountancy qualification, preferably A.C.M.A.

The ideal candidate (male or female) will have several years' broad-based experience in this field, in manufacturing industry, including the smooth introduction of a computer-assisted management information system. He or she will have a proven track record, and the confidence, self-motivation and authority to communicate effectively with all levels of management. Preferred age range 30-40.

Although based in North West London, this position involves travel throughout the UK. In addition to a competitive salary, a company car and a comprehensive benefits package will be offered to the successful candidate, who may expect excellent prospects of advancement within both the Division and the Group. Please send a detailed c.v. to:

J. G. Thwaites, Esq.,
Divisional Finance Director,
TI Domestic Appliances Ltd.,
Radiation House, North Circular Road,
London NW10 0JP.

TI DOMESTIC APPLIANCE DIVISION

INTERNATIONAL MANAGER –ADMINISTRATION

c £10,000 + car
W. London

PRIME Computer's International Operations has seen significant growth over the past two years. *Indeed, it has contributed more* than 35% to the total company's sales performance. *As a result, we are expanding our* International Finance and Administration *staff to meet the ever increasing demands* of the future.

Reporting to the Director, International Finance & Administration, you will be *responsible for providing reliable,* accurate and timely Administrative Systems within PRIME's International Operations. Your main duties will be to:

★ Develop and administer orders/shipments, statistical data policies and procedures.
★ Develop/co-ordinate/consolidate subsidiary business forecasts to predict critical marketing trends and analysis.
★ Monitor state of business, identify problems, provide solutions.
★ Develop and co-ordinate contract terms and conditions.
★ Assist in developing production leasing program.

We are looking for a mature man or woman, probably in mid 30's, who is a self starter *who follows through on assigned projects,* while identifying required business needs *within their scope of activity.*

A University Degree is preferred with *ideally marketing exposure* in an American based company.

This is a challenging, key position in a company which is growing rapidly and is extremely profitable. As well as being financially rewarding we also offer much in the way of job satisfaction.

As an international company, we offer a competitive benefits package, including BUPA, a company car, stock purchase plan, pension scheme, four weeks holiday and, most of all, the opportunity to be with the fastest growing computer company in the industry today.

Please forward your career details, in confidence, to Alan H. Silva, Director, International Employee Relations, for a quick response.

Prime Computer International,
The Hounslow Centre,
1 Lampton Road,
Hounslow,
Middlesex TW3 1JB

PR1ME

Marketing Manager

Unit Trusts *c £12,000 + car*

An old established City institution wishes to strengthen the marketing function of its unit trust management company. Reporting to the Board, this is a new appointment related to the next, planned, phase of growth of their unit trusts.

Employing market research, publicity and field advisory techniques the Marketing Manager will develop, justify and execute profitable marketing plans. He or she will make a significant contribution to long term plans and new developments.

This appointment will appeal to a mature Marketing Manager aged between 30 and 45, who has had appropriate financial or savings experience. Those with merely selling experience in the securities or insurance fields are unlikely to be broad enough for this appointment. Those offering advertising or public relations experience would require a strong financial marketing background at some stage of their career. A degree, MBA or a professional qualification would be an advantage.

A remuneration package is to be negotiated at around £12,000. A car is to be provided. Future advancement depends upon marketing performance and could lead to advancement within the Group.

Candidates, male or female, should write for a personal history form, quoting reference MCS/5040 to Roland Orr, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

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Please telephone 021-622 3838 for an application form at any time or send full personal and career details to John L. Overton, F.C.A., M.E.C.I., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham, B5 7AS, quoting reference 3/1126/F.T.

Applications are welcomed from men and women.

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Replies with curriculum vitae to:
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In the first instance contact:– The Personnel Manager, BNOC, 38 Hans Crescent, London SW1X 0ND. Telephone Number: 01-589 4565.

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c. £7,500 p.a.

The Treasurer's Department at the London Headquarters of RTZ, the UK based mining and industrial group, is involved, either directly or in an advisory capacity, with fund raising, cash management and planning, currency risks, dividend policies, remittances, and investment funding proposals.

The increasing work load handled by this department has created the need for an additional member of the small professional team who will assist in all aspects of the department's work, but will specifically be responsible for:

- preparing a monthly report on certain cash positions;
- monitoring the cash and borrowing position of subsidiary companies;
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The job is most likely to appeal to a young man or woman who since qualifying as a chartered accountant, banker or lawyer has had 2 or 3 years experience and is now looking for a move into the commercial aspects of financial and treasury work.

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RTZ

Please write giving details of career to date or telephone for an application form to: D. W. Westcott, Group Personnel Services Department, Rio Tinto-Zinc Corporation Ltd., 6 St. James's Square, London, SW1Y 4LD. Tel: 01-930 2399.

Bank Inspector/ Internal Controller

Saudi Arabia

Albank Alsaudi Alhollandi, a Saudi-Dutch Banking Corporation established in 1977, with which the Algemene Bank Nederland N.V., with its Head Office in Amsterdam has a technical management agreement, wishes to appoint a person to be responible to the Managing Director for the internal control and inspection of its Branches in Saudi Arabia. The appointment is for a period of 3-5 years with the possibility of extension. Initially the base will be in Jeddah but extensive travel within the Kingdom will be involved. Candidates should have had considerable banking experience, preferably with an international Bank and be fully conversant with banking procedures.

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Written applications please accompanied by a detailed Curriculum Vitae, should be addressed to:

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Algemene Bank Nederland N.V.,
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London, E.C.3.

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Applicants should be qualified, A.C.I.S. or equivalent, with post qualification experience in all aspects of Secretarial duties. An insurance industry background would be preferred but is not essential.

The remuneration package for this important appointment will be substantial. In addition to salary and participation in the company's profit sharing scheme, a company car will be provided together with non-contributory pension scheme, free life assurance and BUPA.

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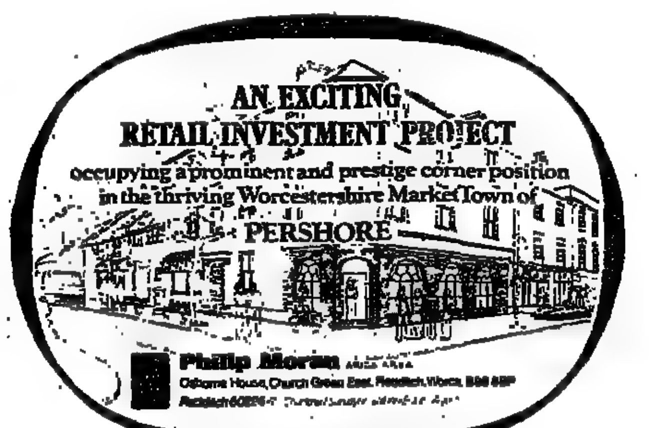

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LOMBARD

Paradoxes of low pay

BY ANTHONY HARRIS

MOST PEOPLE who are angry about lorry drivers, angrier about train drivers, and are ready to be really enraged about coal miners are conscious of an uneasy mixture of feelings when they contemplate some of the disputes now happening in the public services. Many of those concerned really do have extremely low earnings—a fact borne out not only by single examples dug up by television and the newspapers, but by some of the official statistics. For example, a disproportionate number of people getting family income supplements and rent rebates are in such services.

Underpaying people out of one pocket of the public purse to such an extent that they have to be subsidised out of another is so obviously irrational that it calls in question a lot of our administrative arrangements. It is to some extent predictable on a theory of rational behaviour of particular units; if my operation is subject to a cash limit, but your social security budget is open-ended, I can cheese-pare on low salaries with a relatively easy conscience.

These follies

I am not of course suggesting that such cheeseparing is deliberately planned to exploit the system; it is just that the system applies strong pressures for economies, and then provides humane remedies for the consequences out of some other Budget.

Incomes policies compound these follies. Simply because public authorities play the game closer to the rules than private employers, there is usually very little benefit to be derived even from policies designed to help the low paid. Grievances fester.

What is more, new anomalies can be created. For example, it is common experience that low pay leads to low recruitment, with the result that those in low paid pobs get more and more opportunities to work overtime. Finally you get people putting in 70 hours or so a week, and getting a reasonable income.

If the nature of the work is not too demanding—caretaking, doorkeeping and the like — the result can be a grumbling sort of contentment. But when an incomes policy awards £6 or some other sum as a bonus, not to be consolidated into basic rates, the result is to attack the very people who are meant to be helped: because the greater your reliance on overtime, the more important the basic rate becomes.

In some bits of the health service, overtime and weekend work now actually pays less than average pay for the basic week. Not surprisingly the result is overtime bans, worse service and lower incomes.

To cap it all, we have still not got rid of the poverty trap. We have, it is true, eliminated the cases where the combination of income-tax, social security and means-tested benefits actually left a man poorer after a pay increase, but there is still a band where the effective marginal rate is still about as high as the rate which very understandably provokes Mr. Michael Edwardes to threaten to emigrate.

The natural result is that pay claims to escape from this trap have to be very high in percentage terms, to the general horror. However, since the poverty trap is, where public employees are concerned, simply the other end of the transferred-cost problem, the cost to the public sector as a whole of meeting such claims is correspondingly less. A rational negotiation needs precise facts on these points; they are not available.

No effect

The result of all this mess is not merely anger and deadlock, but to strikes and to a financial impasse. The financial point is simple: the discipline of cash limits and norms has almost no effect on national finances when the employees concerned will draw nearly as much unemployed as they do on the job. And strikes can actually pay both sides: a cash-limited authority, after saving say three weeks' wages, can afford a little give on rates, while the employees, as Mrs. Thatcher points out, may be nearly as well off even on strike.

One final sour thought on this administrative disgrace: how far do the rising figures for unfilled vacancies reflect not the buoyancy which the Department of Employment likes to read into them, but salaries which are not worth the attention of a man on the dole?

Catches in accounting procedure

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

BANK GUARANTEES must be expressed in some form of words but their consequences are recorded by entries in accounts. Bankers sometimes prefer the simple, unambiguous language of accounts to written agreements. This practice can be overworked. If the recording of the consequences of a bank guarantee by entries in an account kept by the bank is liable to be taken for evidence that the guarantee was transformed into a loan, the outcome can be quite shocking for the bank.

A classic example of this was the dispute involving Brown Shipley and Co., the London merchant bankers which financed the development of Oceanhuis in Rotterdam by Amalgamated Investment (Europe) B.V. (AIE), the Dutch subsidiary of Amalgamated Investment and Property (AIP), an English company. AIP applied to Brown Shipley for a loan of Fl 1m, and this was ultimately provided by the Dutch Bank Mees and Hope to AIE, the Dutch subsidiary of AIP, and guaranteed by Brown Shipley. The English parent, AIP, covered this transaction by a counter guarantee to Brown Shipley.

The loan was made in August, 1975 but by the following November the AIP group ran into difficulties and a moratorium and rolling up of interest until the end of March, 1976 was arranged by Lazard Bros. This was agreed by all concerned with the exception of Bank Mees & Hope. Consequently, when AIE, the Dutch subsidiary, defaulted on interest payment in February, 1976, the Dutch bank called on Brown Shipley to pay under their guarantee and Brown Shipley in turn called on AIP, the English parent, for payment under the counter-guarantee. As AIP was still protected by the moratorium, Brown Shipley did not expect immediate payment and stated that it would expect interest at 2½ per cent over the London inter-bank rate.

So far, so good. If nothing further was done, Brown Shipley which paid the money due to the Dutch bank would have acquired all the claims which this bank had on the Dutch subsidiary of AIP. The British bankers would have retained under the counter-guarantee all their claims on the parent company and would have succeeded in their action against the Dutch subsidiary which they preferred to sue for good commercial reasons—namely to get hold of assets and to avoid competing claims of the parent company's creditors. However, Brown Shipley did not succeed in this action for the only reason that they transformed the counter-guarantee obligation of the parent company into a loan obligation. They opened for AIP a special account in their books, credited this account with the money required under the counter-guarantee and then repaid this money to themselves.

This arrangement was properly agreed between the parties with the assistance of other renowned bankers on both sides. Brown Shipley obviously thought it was better to have in their books a tidy loan account to which interest could be debited at regular intervals. They seem to have overlooked that by enabling AIP to redeem the counter-guarantee obligation with the loan they gave them for this purpose, they passed on to them all the claims against their Dutch subsidiary acquired from the Dutch bank paid by them under the guarantee.

This, at least, was the conclusion of Mr. Justice Donaldson when delivering his reserved judgment on Brown Shipley's claim against AIE. The claim has failed. Mr. R. Gatehouse, QC, who appeared on behalf of the plaintiffs thought the judgment was intellectually satisfying but in practice a somewhat discouraging and curious result. There may be an appeal.

* * *

"A CLEAN BILL OF LADING" is invariably one of the principal requirements of all documentary letters of credit providing for payment of shipments and the term must be read in banks all over the world many times every working day. Yet, when hard pressed, judges will admit that it has never been comprehensively defined. And this is precisely the reason why there could be a dispute between two leading sugar traders, M. Golodetz and Czarnikow-Rionda, both of New York, about a shipment partly destroyed by fire after it was loaded at Kandla, India, but before the vessel sailed from that port. Of a total of 13,200 tons of sugar loaded, 200 tons were so damaged by fire and water used to fight the fire that they were condemned as a total loss and unloaded before sailing.

This was a *cost and freight* contract, destination Bandarshapur in Iran, and the buyers were supposed to take care of the insurance. Golodetz were the sellers and two bills of lading were issued to them. One covered the 13,000 tonnes actually shipped (a quantity sufficient to meet the contract) and there was nothing unusual about this document. It was taken up and paid by the buyers.

The other bill of lading was issued in respect of the destroyed 200 tons. It recorded the fate of the shipment after it was loaded by the following typewritten note: "Cargo covered by this Bill of Lading has been discharged Kandla view damaged by fire and/or water used to extinguish fire for which general average declared." As if this were not enough, the typewritten notation "Freight to pay" was overstamped "Freight pre-paid" in a way clearly intended to correct the typewritten statement. This second bill of lading was rejected as "unclean" and no payment was made in respect of the lost shipment.

There was also a problem about the insurance which was not taken out in the form prescribed by the contract and which may not cover the loss, but this need not be discussed here. After considering both the bill of lading objection and the insurance problem, the Board of Appeal of the international Refined Sugar Association, acting as arbitrators, have held that the loss must fall upon the sellers. These appealed and the award was referred by the arbitrators for judicial review in the British High Court. In this way it came before Mr. Justice Donaldson who was asked to decide several legal issues, one of which concerned the contested bill of lading.

The buyers offered two tests showing that the bill of lading was "unclean." The first, called the practical test, wa[s] ... banks had rejected ... ment. This, of cou[rse] ... circular argument — which begs the que[stion] ... as such was reject[ed] ... judge, though only ... detailed consideratio[n] ... "Uniform Customs a[nd] ... for Documentary C[redits] ... the International C[hamber of] Commerce. These r... not law and no evi[dence] ... been offered that ba[nks] ... generally reject th[e] ... lading for a better r... that it did not n... interpretation of th... said the judge.

The second test w[as] ... The buyers referre[d] ... books and authoriti[es] ... that a "clean" bill o[f] ... one in which there ... to qualify the admissi[on] ... goods were in appa[rent] ... order. Some authorit[ies] ... regard the relevant ... being that of shipme[nt] ... dealt with a bill recor[ding] ... happened after shipm[ent] ... indeed, this was the f[irst] ... this type the judge ... seen. But he had no ... the bill was "clean." ... does not question the ... of the goods at the tim[e] ... ment—that is when ... for shipment and loa[ded] ... the over-stamping as ... pre-paid" was not a ... tion but a plain cor[rection] ... the typewritten notat[ion] ... judge reversed the a[rbitrators'] award, and Golodetz ... day.

Now freeze-hit punters turn to the ante-post market

RACING

BY DOMINIC WIGAN

WITH RACING still caught in the grips of the worst freeze-up since the winter of 1962-63 and the numbers of meetings lost fast approaching 100, many frustrated punters are turning their attention to the ante-post market.

Yesterday, Lucius was in strong demand with the Tote's thriving — though sometimes over-bold — ante-post department for the Colt-sponsored Grand National. The same company also took several useful bets on Blue Maid for Saturday's Stones Ginger Wine Chase at Sandown.

Playboy, another firm to have increased its future-event betting turnover tremendously in the last couple of years, reports notable Irish interest in Twinburn for the Daily Express Triumph Hurdle.

There seems good reason for the interest in all three.

Lucius, last year's winner of a rather drab National—robbed of a great deal of world interest through the late defection of Red Rum—has not been seen in public since chasing home Good Prospect in Perth's Letham Chase

Although that race, in which the ten-year-old failed by five lengths to concede the winner 25 pounds was a long way back and rumours of training problems for Lucius have been rife, Richards reports him fit and well.

But for the interference of the weather the national winner (set to carry just six pounds more on March 31) would undoubtedly have run within the last week and it is safe to assume that he will be back in action at the earliest opportunity.

Blue Maid, down to 7-1 today with the Tote from a point longer for the Stones Ginger Wine, has undoubtedly improved dramatically since the outset of the campaign. Easily held by Silver Delight at level weights in an opportunity chase at Worcester in mid-November, Blue Maid completed a quick double at Taunton last time out when putting 20 lengths between herself and another mare, Grangewood Girl, in the St. John's Day Trophy.

Twinburn, originally offered at 25—1 by Playboy, for the Daily Express Triumph Hurdle, but now a 10—1 chance, won impressively at Naas recently with Slaney Idol under something of a cloud he will be the subject of continued Irish support.

TV/Radio

BBC 1

† Indicates programme in black and white

9.41 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Don and Pete. 4.25 Jackanory. 4.40 The Space Sentinels. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Noah and Nelly.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Butterflies.
9.00 News.
9.25 1979 European Figure Skating Championships.
10.15 André Previn's Music Night.
11.05 Tonight.
11.45 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—9.41-10.01 am For Schools. 5.55-6.20 pm Reporting Scotland. 11.05 Thursday Night. 11.45 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.45 News and Weather for Wales.

Northern Ireland — 11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 8.30-9.00 Spotlight on Northern Ireland Affairs. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol): South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
5.10 Open University.
5.35 News on 2 Headlines.
†5.40 Charlie Chaplin in "The Tramp."
6.10 Boomerang.
6.20 Cricket: Fifth Test, Australia v. England (highlights).
6.50 When The Boat Comes In.
7.40 Mid-Evening News.
7.50 Newsweek.
†8.30 Midweek Cinema: "The Mask of Dimitrios." Starring Sidney Greenstreet, Peter Lorre and Zachary Scott.
10.05 Don't Forget To Write!
10.55 In a Country Churchyard.
11.25 Late News.
11.40 Open Door.

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Pipkins. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Danger U.X.B. 3.20 Parents Day. 3.50 Looks Familiar. 4.20 Little House on the Prairie. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here.
7.30 The Jim Davidson Show.
8.00 Rising Damp.
8.30 TV Eye.
9.00 The Streets of San Francisco.
10.00 News.
10.30 Our People.
11.00 The Thursday Film: "Lady Ice." Starring Donald Sutherland.
12.40 am Close: A painting by Breughel with Renaissance music.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 The Six Million Dollar Man. 11.00 T.V. Movie: "Cry For Help." 12.25 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 4.20 Little Vic. 4.45 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Format "V." 11.15 Cinema Showcase: "Dirty Dingus Magee," starring Frank Sinatra.

BORDER

†1.20 pm Border News. 5.15 Laverne and Shirley. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 9.00 Richie Brockleman, Private Eye. 10.30 Take The Mick—The Music of Louis Armstrong. 11.00 Power Without Glory. 11.55 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 5.15 Stars On Ice. 6.00 Channel News. 6.10 Dynomutt the Dog Wonder. 7.00 The Incredible Hulk. 9.00 Hawaii Five-O. 10.28 Channel Late News. 10.32 The Story of Wine. 11.00 Movie Premiere: "Men Of The Dragon." 12.20 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 5.20 Dynomutt—the Dog Wonder. 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Emergency. 9.00 S.W.A.T. 10.30 Gymnastics. 11.00 Reflections. 11.05 Star Treatment. 11.35 Westside Medical. 12.25 am Grampian Late Night Headlines.

GRANADA

†1.20 pm This is Your Right. 4.20 The Life and Times of Grizzly Adams. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Bionic Woman. 9.00 S.W.A.T. 10.30 What's On 11.00 Late Night Thriller: "The Curse of the Mummy's Tomb." starring Terence Morgan.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.20 Wyatt's Place. 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 7.00 Six Million Dollar Man. 9.00 S.W.A.T. 10.35 Puddleduck Frolics: Amnesty International Gala at the Mermaid Theatre. 11.35 Richie Brockelman, Private Eye.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-7.00 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Six Million Dollar Man. 9.00 Rafferty. 10.30 Gymnastics. 11.00 Late Call. 11.05 Afloat. 11.35 Barnaby Jones.

SOUTHERN

1.20 pm Southern News. 4.20 Lassie. 4.45 Beachcombers. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.45 Dick Barton—Special Agent. 7.00 Emmerdale Farm. 7.30 University Challenge. 10.30 Southern News Extra. 10.35 People Rule! 11.15 New Avengers. 12.10 am What The Papers Say.

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 4.20 The Beachcombers. 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 9.00 Hawaii Five-O 10.30 Northern Scene. 11.00 Invitation Snooker. 12.05 am Epilogue.

ULSTER

1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 The Life and Times of Grizzly Adams. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 Survival. 9.00 S.W.A.T. 10.30 Counterpoint. 11.00 Hogan's Heroes. 11.25 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Stars On Ice. 6.00 Westward Diary. 7.00 The Incredible Hulk. 9.00 Hawaii Five-O. 10.28 Westward Late News. 10.30 Westward Report. 11.00 Movie Premiere: "Men Of The Dragon." 12.20 am Faith For Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 4.20 Dynomutt. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Survival. 9.00 Vegas. 10.30 Wish You Were Here . . . ? 11.00 Evening Standard Drama Awards.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave only

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talk-About. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Cricket: Fifth Test (report). 5.04 David Allan (S). 7.32 Terry Wogan (S) including 8.03 Cricket: Fifth Test, 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The Peter Goodwright Show. 10.30 Star Sound Extra. 11.02 Brian Matthew introduces Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music with Sheila Tracy (S).

RADIO 3

‡6.25-7.35 am Cricket: Fifth Test: Australia v England. 6.55-7.00 Weather. 7.00 News (vhf only). 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 8.55 Rural Rhymes. 9.00 News. 9.05 This Week's Composer: Debussy (S). 10.00 Music Group of London (S). 10.55 Romantic Songs (S). 11.25 Haydn and Mozart Concert, part 1 (S). 12.15 pm Words . . . Talk. 12.20 Haydn and Mozart, part 2 (S). 1.00 News. 1.05 Bradford Midday Concert (S). 2.00 "Tito Manlio," opera in three acts by Vivaldi (S). 3.40 Eder Quartet (S). 4.40 New Music From Scandinavia (S). 5.45 Homeward Bound (S). 6.30 News. 6.35 At Home (S). 7.30 "The Cherry Orchard," by Chekhov (S). 9.10 Glinka (S). 9.30 Vocal Music from India (S). 10.45 Vivaldi (S). 11.05 Crusell and Beethoven chamber music concert (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. Magazine, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-Week With Desmond Wilcox. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 Analysis. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Just A Minute (S). 12.55 Weather: programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.35 Afternoon Theatre (S). 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Quote . . . Unquote (S). 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Bournemouth Symphony Orchestra, part 1: Beethoven, Rachmaninov (S). 8.20 Notes For A Life. 8.35 Bournemouth SO, part 2: Brahms (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 79. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time from the House of Commons. From 1.05 As Radio 2.

London Broadcasting

5.00 am Morning Music. 6.00 AM: news, information, travel, sport. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.03 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,886

ACROSS

1 Incline to hard water? Nothing doing (2, 4)
4 The last drink that might go to one's head (8)
10 Doctor Love may storm crafty resting place (7)
11 Mine takes a bit of butter with faltering sound (7)
12 Personal assistant twice becomes a parent (4)
13 Barely following conductor at the 11th hour (4, 2, 4)
15 Argue about a boy (6)
16 Wrong name one gives a flower (7)
20 Speculator determined to confirm . . . (4, 3)
21 . . . a loose dog is in error (6)
24 The devotion he gives the mayor (3, 7)
26 Meadow quietly appears in spring (4)
28 Part of Admiralty putting official stamp on equity share (3, 4)
29 Here now! (7)
30 Perverse to try on car that's wrecked (8)
31 Expense of going abroad to deposit (6)

DOWN

1 Hamlet in Hamlet (4, 4)
2 Entrancing bit of brass (4, 5)
3 Stuff third-rate beast (4)
5 Without power to tip? Not me for a change (8)
6 Haphazard success with girl (3, 3, 4)
7 Holiday isle to note on All Fools' Day (5)
8 Mess about with craftsman in China (6)
9 Information useless to class (5)
14 Judge it's for you to drive first (4, 6)
17 Cheek to market sound sensational transmitter (5, 4)
18 100-1 chance of being dismissed by partisan (8)
19 Surrey member gets first letter with your old-fashioned fellow-feeling (8)
22 Medicine produced by singular natural science (6)
23 Quick as a crab (5)
25 Spot way to get own Scotch (5)
27 Country in Europe—Russia maybe? (4)

Solution to Puzzle No. 3,885

هكذا من الأصل

THE ARTS

Record Review

Mignon, Nabucco by MAX LOPPERT

Thomas Mignon. Marilyn Horne, Alain Vanzo, Ruth Welting, Nicola Zaccaria, Frederica von Stade etc./Ambrosian Opera Chorus, Philharmonia/De Almeida. CBS Masterworks 79401 (four records). £14.99.

Verdi Nabucco. Matteo Manuguerra, Renata Scotto, Nicolai Ghiaurov, Veriano Lucchetti, Elena Obraztsova etc./Ambrosian Opera Chorus, Philharmonia / Muti. EMI HMV SLS 5132 (three records). £13.10.

Not everyone in France casts a benevolent eye on the gramophone companies' current exploration of neglected corners in the French operatic repertory. A notice of the CBS set of Ambroise Thomas' *Mignon* in the November issue of *Lyrica* (the French opposite number of our own *Opera*) lets rip on the old warhorse, once a stable part of the Opéra-Comique repertory (1,500 performances by 1919, 52 years after the premiere in that theatre), now semi-forgotton. "Quel gâchis que d'avoir mobilisé de si bons interprètes pour une si mauvaise cause!" The writer trots out Debussy's *mot*—"there are three kinds of music, the good, the bad, and the Ambroise Thomas kind"; execrates the emptiness of the music, its static harmonies and undramatic modulations, its repetitious rhythms, the "untimely chuckles" of flute and percussion in the orchestration, the careless prosody; and then imagines a concluding nightmare—that the record company, having exhumed the complete works of Thomas, and those of Reyer, Halévy, etc., will crown its enterprise with Meyerbeer!

I can't, myself, understand the fuss. The only legitimate cause for complaint, it seems to me, is that worthier French operas badly in need of recording remain so far untouched by the gramophone revival (from the previous century the great *tragédies-lyriques* of Gluck and, from a later era, *Pénélope* of Fauré, *Ariane* of Dukas, and *Padmavati* of Roussel immediately spring to mind). Otherwise, seeking out operas like *Mignon* is at least part of the gramophone's function, and this set, as long as expectations of it are not set impractically high, should awaken the interest of the curious, and even give pleasure.

More than with Gounod's *Faust*, far more than with Massenet's *Werther*, it is essential to put Goethe out of mind, to forget that *Wilhelm Meisters Lehrjahre* supplied the librettists, Carré and Barbier, with yet another masterpiece for operatic dilution. But, even when judged on its own merits, the libretto proves to be a flimsy piece of work, sketchily plotted and shakily resolved, thinly characterised, and formula-ridden. The transformation of Mignon's death scene into a happy ending to placate the Opéra-Comique audience of the day (though this was later reversed for German consumption) offers a pertinent reminder of how shockingly *Carmen* must have burst upon the scene nine years later.

The strongest charge that can fairly be laid against the music is that, unlike Massenet's in his Goethe opera, and much like Gounod's in his, it supplies no compensating or unifying tone of its own. (Emotional depths or elaboration of character and situation we soon learn not to ask of it.) There are touches of local colour in the rhythms (notably in Mignon's *styrienne*, and in borrowings of the polonaise, bolero, and habanera elsewhere), attractively but far from consistently applied; with every appearance of Philine, the highcoloratura soprano role, the music tends to trip off into those mindless, flashy vocal *brillants* so typical of the middle-19th-century *opéra-comique*. But *pace* the *Lyrica* reviewer, it goes down easily and often enjoyably. Of the two principal strains in it, the pathetic (as represented by the gentle lyricism of the mezzo heroine), and the vivacious, it is the former that draws from Thomas his most potent truest vein of melody. Mignon's "Connais-tu le pays" deserved its long popularity on 78s and in *Grand Vocal Concerts*; the sum of its simple phrases is both prettily sentimental and vocally flattering (though for full experience of its charm, one must have access to Conchita Supervia's records of it in addition to the present set).

The CBS presentation of the work has been thoughtfully undertaken. A very full edition complete with appendices, offered (textual variations caused by additions and alterations for later revivals of an immediately and widely popular work are as complicated as in Handel); the situation is explained in a scholarly if somewhat ill-written booklet note by Michael Williamson. *Mignon*, originally a true *opéra-comique*, mixed music, spoken dialogue, and *mélodrames* in well-planned juxtaposition. It seems to me a great pity that the conductor, Antonio de Almeida, failed to insist upon this original mixture, instead of performing the work in its later, "through-composed" form: the recitatives, though Thomas's own badly clog up dramatic movement, and what was once no doubt a light and speedy blend of speech and song becomes ponderous, and the lack of substance in the musical invention becomes over-exposed, across eight full record sides. One tends to recall, during the soggier patches of recitative, how much more artfully Massenet, with his expertise in keeping words fluid and agile upon the music, was to mix and match the same ingredients in the later *Manon*, for which in many ways *Mignon* prepared the way.

The cast is interesting, wholly professional, not wholly satisfying. Marilyn Horne takes the title role, Frederica von Stade the minor part role of Frédéric (originally for a buffo tenor, reassigned to and amplified for the mezzo Trebelli in the 1870 London premiere). Bluntly, it must be suggested that in an ideal recording the two would have been invited to exchange assignments. Horne's forthright vocalization, with its chesty extensions and now rather blowzy high notes (emphasized by a sometimes unwise choice of high options), is carefully disciplined and intelligently tamed by the singer; but still the impression is of a commanding, mature mezzo before the microphone rather than of a poor-creature-in-rags pathos, a Von Stade speciality.

As Wilhelm Meister, a cardboard part redeemed by elegant tenor writing, Alain Vanzo, though still clean of emission, was recorded a few years too late to catch the dapper, limber tone of his best form. Most apt of voice is the American soprano Ruth Welting, sweet and fleet in Philine's every florid sally, charmingly light and pert of inflection. The Philharmonia and Ambrosians seem also have been caught on less than sparkling form—one or two orchestral errors have gone uncorrected—but the dulled edge may be the consequence of a woolly recording, and the irritating superimposition of so much bla-blahing crowd chatter. In choice of tempo, and in the way the numbers are shaped (a cunning holding-back, for example, of the start of Philine's Polonaise) the conductor convinces the listener that his affection for the music is both sincere and purposeful. Mff.]

While Riccardo Muti's strong convictions about *Nabucco* are no less clearly in evidence, one begins to doubt whether they best serve the work itself. This is his fourth Verdi opera recording, and his least persuasive. The virtues of precisely weighed and balanced orchestral execution and choral singing from the omnipresent Philharmonia and Ambrosians (lacking though these are in the native colour and warmth that mark Muti performances in his Florence opera house) remain compelling. Yet the quality of "interference"—of hustling the pace, of too insistently correcting the flow, of music which requires to be naturally and simply unfolded — seems less temperate than before. Or else it is that early Verdi, if its brash elements are not to seem the most dominating, want a less interventionist approach than he brings to it. Whatever the cause, the result is immediately stirring, scored with big, brassy sonorities and lashed by tightly clipped rhythmic articulation; and, in the long run, wearisome.

The singing, though always accomplished, is not so remarkable as to alter one's opinion. In the title role it is refreshing to find not one of the Big Two or Three recording baritones, but Matteo Manuguerra, a mature singer of wide experience, better known in France and in the U.S. than here. His Nabucco imposes a strong though sometimes blank) vocal manner and a sure command of the drama — until Tito Gobbi on the 12-year-old Decca recording is recalled, drier of tone but unforgettable in tormented majesty. Though (as in her recent Florence *Norma*, also with Muti) I warm to the bold, generous attack Renata Scotto brings to her dramatic soprano roles, and admire the still delicate tracery of her soft singing, Abigaille's big, dark timbres are not hers by nature, and stain, even when concealed, is never far from the surface. Chiaurov, as the Hebrew priest, also imposes weightily, with a bass of now reduced firmness and security.

Lawrence Werber and Devon O'Brien

Tower, Canonbury N.1

Don't Drink the Water

by MICHAEL COVENEY

Thanks to the Tower, London audiences may now be alerted to this very funny 1966 comedy by Woody Allen, no less. The delights of an amateur production in no way detract from the positive value of seeing an old-fashioned Broadway-style farce set in an American embassy beyond the Iron Curtain. The central character, who really needs to be played by Mr. Allen himself, is a hapless official trying to engineer a spy-swap while pursuing, at first vainly and ultimately successfully, the luscious daughter of the trapped New Jersey couple.

"Pursuing" is perhaps too strong a word for Axel Magee's lucky confrontation with a daughter of suburban America in this Cold War paradiso, which bears as much dramatic relationship to Ustinov's Ruritania as it does to Mr. Allen's paranoid world of lost chances and fumbled opportunity. As Axel is told by his eventual father-in-law, "years of insanity have made you crazy," the sort of line that reduces the whole delightful shambles to recognisable comedy.

Axel's beloved's parents are triggered from an increasingly difficult "spy-swap situation" by disguising themselves as Arabs at an Embassy cocktail party (offstage) and utilising the powerful weapon of onstage pantomime as a cover-up.

This account takes little notice of Spencer Butler's spirited direction which finds an absolute resonance in the performances of Axel's parents by Paul Rutledge and Maxine Howe. It is all slightly old-fashioned and basic by Woody Allen's own recent high standards, but it provides an evening of much fun and witty substance at this perennially enterprising amateur venue.

Royal pictures at National Portrait Gallery

Eight portraits from the collection of the Queen have been loaned to the National Portrait Gallery.

They include several portraits by Van Dyck, the most outstanding being those of *Charles I in Three Positions*, and the group portrait of his five eldest children.

The portraits are on view on the mezzanine floor at the National Portrait Gallery, St. Martin's Lane, until the end of April.

Heinz Gallery

Satanic Mills by GILLIAN DARLEY

The first image to strike the visitor to the exhibition *Satanic Mills*, which opened yesterday at the RIBA Heinz Gallery, is a long, thin, dark oil painting. The subject is Bolton in 1895, the city dimly perceived through veils of smoke penetrated here and there by tall chimney stacks. Veils of smoke may not hang over the Pennine mills today but veils of prejudice still obscure the industrial fabric of West Yorkshire and Lancashire. The feature of this exhibition is to present this landscape. Sublime in Burke's original sense, in its own strange beauty. The photographs, by Randolph Langenbach, an American designer and historian, are eloquent proof of this magnificent composite scene—the terraced housing, the massive craggy mills and their towering chimneys, the bridges and viaducts which knit the town together, and are apparently poured into the crevices of the terrain.

A telescopic view of chimneys in the mill district of Huddersfield

Behind and above this man-made pattern lies the unsullied, natural landscape of the area, always accessible and as fine as any in the country. The point these images make so forcibly is the importance of the whole—few individual mills are architecturally distinguished but en masse they contribute to an environment of splendid quality. Much has already gone—a number of Langenbach's photographs chronicle demolitions—but the exhibition, organised by conservation pressure group SAVE, aims to challenge the assumption that it is a necessarily continuing process. The Pennine mills are not, the organisers argue, so many albatrosses but represent in many cases assets in areas suffering the classic problems of economic depression: not merely unemployment but depopulation and loss of skilled wokers. Many mills are continuing to function effectively. Both the major carpet manufacturers of Halifax, for example, are housed in complexes of multi-storied mills dating from the 19th century, while denim is manufactured in a fine reconditioned mill at Bacup in Lancashire. Elsewhere the mills have found new uses; sometimes for what planners term "twilight uses," sometimes for mail order warehouses and storage. Local authorities' attitudes vary widely, but few are actively promoting the use of the redundant mills and the introduction of the Industrial Improvement Area (pioneered in Rochdale in 1976) seems to be less of a safeguard than had been hoped. Yet West Yorkshire County Council, in a leaflet promoting industrial expansion, makes a strong case for mills: "Many are re-emerging as prestige properties in their own right and have a considerable advantage over their modern rivals, with much lower freehold valuations and rentals."

The exhibition shows some of the re-used Pennine mills—including one for electronics manufacture, and one converted into small workshop units. Nothing there competes with the efforts made in the United States, where the Digital Equipment Corporation at Maynard, Massachusetts, employs 8,500 in a group of converted mills and the mill town of Lowell has been designated a National Historical Park. Museum use is, of course, one potential adaptation for the better sited and most architecturally significant of the mills, and there are signs that local authorities are awakening to these possibilities and to the idea of designating a comparable industrial national park in the Pennines.

The great mills, as seen in the photographs, paintings and architectural elevations on show at the Heinz Gallery, were prestige advertisements of the prowess of each particular company within the wool and cotton industries; few enough companies use their factory buildings as letterheads today—yet for the textile manufacturers of the 19th century it was *de rigeur*. Justifiably they were proud of the great complexes housing their works. The exhibition conjures up some of that pride. The organisers have carefully emphasised the achievements to date in finding a future for the buildings within this unique landscape—Langenbach's photographs remain the epitaph for those that have gone.

Yet a shift of taste is detectable. As the 18th century rural mill has become valued over recent years so too it seems likely that the 19th century mill may, if only on practical grounds, find favour again. Awareness of the qualities of this landscape, and the history that is implicit within it, is growing and is being encouraged. Conservation legislation, geared and worded to favour the extraordinary, not the ordinary, can do little for the Pennine mills—they have to prove feasible in economic terms. Neil Cossons, director of the Ironbridge Gorge Museum, recently characterised the landscape of the industrial revolution as "an environment of skill and panache." Those are the qualities that the organisers of this exhibition imply should be brought to the problem of the redundant Pennine mills. Cheap old buildings have proved invaluable in harbouring and nurturing the small business in cities—the potential large business of the future. In Jane Jacobs' words, "Old ideas can sometimes use new buildings. New ideas must use old buildings." As symbols of new life the mills must lose their often grim connotations of the past and suggest a more optimistic future.

Elizabeth Hall

Guarneri Quartet by MAX LOPPERT

Reports suggest that this month's series of concerts given under the umbrella title of *Music's Slav* has been put together more as a promoter's gimmick than as a serious, coherently informative musical event, and that the concert fare has been adventitiously rather than purposefully Slav. But whatever else deserves to be remembered from the series (apart, that is, from the ludicrously pretentious and unhelpful programme note that has done duty for all nine concerts: a model of what to avoid on such occasions), the programme of the final recital must be counted a meaningful exemplar of the title, and therefore a definite success.

It was wonderful to have two of the most remarkable string quartets by Czech composers, Dvorak's Op. 106, in G, and Smetana's First, in E minor, on the same bill. Light was shed on the common ground (as well as the striking differences) between the two—the copious, grateful lyricism, the fertility of the supportive figuration, the dance-like rythms always ready to burst through, the frank way in which boldly affirmative or poignantly melancholy emotional statements are made. If one came away from the concert struck by a powerful intimation (difficult to define, or to put into certainly formulated expression) of what makes Slavonic music, or at least the Bohemian branch of it, special, that is what a musical series is for.

The quartet was the Guarneri. I had not heard the group live before, but only on some of their many records, from which I learned of their exceptional smoothness, steadiness, and homogeneity of style, tone, and ensemble. All these virtues were on show last night, except for those passing moments in the Dvorak, second work of the evening, when the leader, Arnold Steinhardt, assumed a trenchant, at times slightly grating tone *in altissimo* that temporarily disturbed the flow of rounded, well-matched string sonority. The Smetana quartet, on the other hand, benefited after the interval from the most secure playing of the evening—the clear, unfulsome viola line that sang out of the opening, carefully matched to its accompaniment, and the even way in which solos were calibrated in the third-movement Largo sostenuto were just two examples of uncommonly disciplined chamber-music-making.

These terms of praise may suggest the want of strong enthusiasm I felt for the Guarneri's playing, on other than technical grounds. Both works demand a spirit of passionate and spontaneous effusion, as expressed in a natural-sounding employment of rubato, a singing warmth to the combination of timbres, an emotional openness, that was not to be had in these performances. Smoothness and steadiness at first moderated, and finally somewhat impeded, the communication of musical frankness. The first work on the programme, billed as Mozart's C major Quartet, K157, was changed without explanation into Haydn's Op.76, No. 6, in E flat (which the Guarneri gave in Monday's concert broadcast from St. John's, Smith Square). What an evening it might have been if one of the two Janacek quartets had been supplied in Mozart's place. But then, it is not to be expected that every string quartet will have Janacek ready and waiting up its sleeve.

Festival Hall

Elgar Festival

The Philharmonia's Elgar Festival began on Tuesday with three of the best-known large pieces conducted by Andrew Davis (he will appear as pianist in the fifth and final concert). Though the figure he cuts is scarcely Elgarian—there is much elfin gyrating, and during the Boar's Head episode in *Falstaff* we were treated to a whole disco routine—Davis is certainly an Elgar conductor to be reckoned with. Limpid performances of the Introduction and Allegro, like the one which began the evening, are not so rare; but *Falstaff* emerged transparent and gleaming, affording no basis for complaints about excess baggage. Davis took a long, purposeful view of the work, and it revealed an unsuspected concision—though he gave every theatrical image in the music full value (materially assisted by a witty first bassoon).

Here and in the Violin Concerto, the full-blooded elegance of what we heard was more than a matter of highly professional control. Davis seems to have an unerring sense of the true harmonic underpinnings of Elgar's music: what is mere superstructure and titivation is allowed to float free, while the real ground is confidently marked, and we are spared the indigestible pudding which results from letting those things lurch together. In the Concerto, that vigorous clarity set off to admiration Kyung-Wha Chung's sweepingly intense account of the solo part. Like Davis, she has her own kind of flamboyance. Where he acts out a frenetic cartoon of the music, she strives fiercely to perform every bit of it—in impassioned passages where Elgar gave the violin nothing to do, she sang along with the trumpets.

Her performance was not to be argued with (it would take a brave man to do so). The Concerto loses nothing to so pantherish an attack, and its unconstrained lyrical lines supply all the sustenance needed for her grand declaramtory style—big in tone, powerful in gesture. Elgar left deliberate room, probably, for a specific violin-personality to assert itself, and in a way Miss Chung did not do that: specifically, she imposed no direction of her own on the extended cadenza which seems to invite just such an individual shaping.

DAVID MURRAY

FINANCIAL TIMES

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Thursday February 1 1979

Mr. Smith's next moves

AS EXPECTED, Mr. Ian Smith has won his constitutional referendum among white Rhodesians, although by a substantially larger margin than had been widely forecast: an 84 per cent "Yes" vote on a 71 per cent poll. To the extent that this shows an acceptance among whites of some form of majority rule (albeit Mr. Smith's watered-down version) it is a step in the right psychological direction.

That, regrettably, is about all that can be said in favour of the referendum, since the constitution solves none of Rhodesia's most critical problems and is a wholly inadequate concession to the principle of one man, one vote. As so often during the past 13 years since UDI, the referendum shows the whites of Rhodesia conceding too little, too late.

Diluted

The "internal" settlement constitution, upon which whites have just given their verdict, provides for a diluted form of majority rule. It does concede the principle of universal adult suffrage, yet 28 per cent of seats in a new house of assembly will remain reserved for whites, who may block constitutional amendments. Furthermore, under modifications to the "internal" agreement, whites will be able to hold 28 per cent of Cabinet seats in a "Government of National Unity," even though they comprise only 3 per cent of the population.

On top of all this, there are now suggestions in Salisbury that unless the West recognises the internal settlement, thus ensuring a smooth transfer of power, Mr. Smith may remain on as head of the Rhodesian Front party and could even be a member of the new Cabinet. This would surely undermine the credibility of the new Government.

The referendum result will doubless encourage Mr. Smith and his black partners in the internal settlement to press ahead with their plans for elections on April 20, in the hope that these can be sold to the West as proof that the majority of black Rhodesians support the settlement. Clearly, if the Rhodesians could produce a turnout similar to that in the referendum, the British and U.S. Governments would come under pressure to recognise the Salisbury administration. But it would be much harder to achieve such a high percentage poll among the scattered black population in a time of war. Furthermore, whatever the percentage poll, it would be extremely difficult for the Rhodesians to demonstrate that the elections had been carried out freely and fairly. Some 85 per cent of the country is under martial law, press censorship is in force, and the intimidation by Patriotic Front forces is matched by that of the private armies loyal to Bishop Muzorewa and Rev. Sithole. Under these circumstances, it is impossible to have confidence in any election result.

The likelihood is that the post-April Government in Salisbury would remain unrecognised, even though there could by then be a Conservative Government in power in Britain more sympathetic to the "internal" agreement.

Emigration

With both the guerrilla war and white emigration escalating, the Salisbury Government might eventually be forced to come back to the conference table. But by then, the Patriotic Front guerrillas, scenting victory, would be in even less mood for compromise than they are now. Increasingly, therefore, the chances are that the Rhodesia conflict will end on the battlefield, in a multi-cornered civil war.

White Rhodesians may feel that in the referendum they have offered a major concession to the blacks in order to save their country. But, perversely, the vote reduces still further any chance of all-party talks and thus heightens the risk of civil war.

Miners' pay and efficiency

THIS YEAR'S pay negotiations with the miners are taking place at a time when the industry's financial position is undergoing very considerable strain. The recession in demand for coking coal for steel making has gone deeper and is lasting longer than expected, while the use of coal in power stations has been checked by the slow growth in electricity demand and coal's declining price competitiveness with oil. Output has fallen but not as fast as sales. The cost of holding coal in stock together with other cost increases has impaired the Coal Board's ability to finance even a modest proportion of its £500m a year investment programme from internal resources, thus necessitating substantial borrowings and a growing burden of interest charges.

Last week the Coal Board indicated that the operating loss on deep-mined production could be as large as £460m in 1979-80, before taking account of the price increase the board is hoping to make this spring and before allowing for Government grants, which this year were raised to a total of £124m to help underwrite the cost of coal stocks and increased coal-burning by power stations.

Ceiling

With its room for manoeuvre so limited, the Coal Board's initial response to the National Union of Mineworkers' claim for increases of up to 40 per cent, which would add about £400m a year to the industry's costs, has been to suggest a ceiling of £50m. Moderates in the union believe that there is no mood in the coalfields for a fight over pay this year with a Labour Government so close to a General Election. But some package based upon an offer of more than the Government's 5 per cent figure would be needed if a major confrontation is to be avoided.

Among the ingredients of such a package which have been suggested are a shorter working week, which the board is thought to be unlikely to accept; improvements in the various allowances miners receive such as payment for waiting time, which do not exist in other industries; and a re-negotiation of the incentive schemes introduced during the past year which, according to the board, have added an average of 18 per cent to the 10 per cent increase permitted by the Phase Three pay guidelines.

A further possibility which has been mentioned would be to meet the miners' desire to return to their traditional November pay anniversary by offering them a 20-month settlement. This would provide scope for a larger immediate increase, albeit at the cost of returning to the position which obtained before the Wilberforce settlement five years ago where the issue of miners' pay came up at the beginning of each winter rather than at the end.

Faith

None of these courses could avoid adding to the board's financial difficulties—not even, given the present weak state of coal demand, an improved productivity scheme. Up to now the board's ambitious investment programme has not been called into question. It was recognised that if the industry's capacity was to be maintained, let alone increased, money had to be spent, regardless of short-term market fluctuations, on sinking new pits and developing profitable ones in order to replace those nearing the end of their working lives.

The most of what, at least in part, is an act of faith in coal's future prospects can in the meantime be heavy. It might be rather less onerous were the Coal Board to advance the closure of pits which are incurring the heaviest losses and are nearest the end of their useful lives. Pit closures raise socially sensitive issues and miners' attitudes to the question have hardened. But the Government's hard line on increasing subsidiaries to the industry suggests that the pressure on the NCB to improve efficiency will be intensified.

The City's helping hand for BL dealer finance

By RICHARD LAMBERT, Financial Editor

THE RELATIONSHIP between BL, the former British Leyland, and its network of distributors across Britain is about to change fundamentally. Yesterday's launch of a major new company, Wholesale Vehicle Finance, has wide financial implications for both the car manufacturer and its distributors. It also brings an important new link between the National Enterprise Board and the City, and shows how big pension funds can play new roles.

Wholesale Vehicle Finance (WVF) starts life with as much as £100m of capital employed: This is made up of £12.5m of shareholders' funds, an overdraft facility of £3.5m, and an acceptance credit facility of £84m which has been provided by a group of City banks. The NEB owns 77.5 per cent of the shares, and the rest of the equity has been put up equally by United Dominions Trust, the Post Office pension fund, and the National Coal Board pension fund.

The job of the new company will be to take upon itself the stock financing commitments currently borne by 700 Leyland car and light van distributors around Britain. In so doing, it will release nearly £70m of distributors' funds which are currently tied up on the showroom floor. It will also increase BL's cash balances by £30m or more.

Leyland distributors hitherto have had to make a fixed deposit with BL Cars to finance part of their showroom stocks, which are supplied by the manufacturer on a sale or return basis. The amount of the deposit has usually been fixed as a proportion of each distributor's sales over the previous year—somewhere between 10 and 12 per cent. This system has been coming under increasing attack from distributors and dealers in recent years.

Their first worry was about security. Substantial sums of their money were involved — BL's last balance-sheet included £64m of distributors' deposits—and the trouble was that their security — the cars — tended to run out when they felt most in need of it. Whenever a big strike brought BL to its knees there was the threat that the value of the distributors' car stocks would fall below the level of their deposits with the manufacturer. And that made some of them feel very vulnerable to a calamity at BL.

BL's so-called bulk deposit scheme had a number of other drawbacks for dealers. As inflation blew up the value of their stocks, so the corresponding rise in the required deposit put an ever-rising strain on their borrowing capacity. Banks were not keen to commit themselves too heavily to such long-term lending, and the finance houses would only oblige at a price — a slice of the distributors' juicy retail credit business. Every time the wholesale price went up, the distributor was called on to top up his deposit with BL, and his borrowings rose further.

For BL, too, this method of financing has become increasingly unsatisfactory. The amount of deposits in its hands has been falling behind the wholesale prices of cars out on sale or return to the distributor by many millions of pounds. Time lags took a big toll of the figures in a period of inflation, and distributors had no reason to rush their payments. The new arrangements will avoid this problem, and as a result deposits with BL will rise to nearly £100m.

The dealers started to press for change back in the early days of the Ryder plan. About the same time, the City merchant bank N. M. Rothschild, upon its own initiative, put up various ideas about how finished stock might be financed. Nothing happened until the summer of 1977, when Leyland started its own thinking on the subject. Rothschild tried again, and this time caught the attention of BL and the NEB. Yesterday's announcement is the outcome of extensive discussions over the past 12 months or so with a wide range of finance houses and distributors. It represents a coup for the merchant bank which invested considerable effort in the project on a speculative basis, and is now getting the pay off.

Operating limit

The new scheme works as follows. As a car leaves Leyland's factory gates on its way to the distributor, WVF will, subject to certain limits, make a deposit with BL Cars equal to the wholesale price excluding car tax and VAT. Each distributor will be set a model limit for the different ranges of cars he stocks. It will be roughly equal to 40 days' sales at current prices. The aggregate of the distributor's model limits will be known as his "stock limit,"—and WVF will not make deposits on his behalf in excess of that limit. In addition, WVF will independently assess each distributor's credit and set him an operating limit—which may be less than the stock limit.

The distributor will pay WVF a "display charge" in respect of the deposits which it makes with BL on his behalf. This will be worked out on a weekly basis, and will be designed to give WVF a gross margin of 1¼ per cent a year over its average borrowing costs. In effect what this means is that instead of borrowing money to invest in stock, the distributor will simply be borrowing stock. The stock financing loans on his balance-sheet will disappear, and be replaced by a contingent liability in the footnotes relating to the stock.

This should have a more than cosmetic effect. Henlys, for instance, is a major Leyland distributor with £8m or more invested in bulk deposits. In turn, it holds deposits from the retail dealers which it supplies, which reduce its net investment in deposits to about £3.5m or £4m. That money will now be released.

The Henlys showrooms at Berkeley Square, London. Some £3.5m-£4m of deposits made by this distributor may be freed by the new system of dealer finance.

Corinne Corkrell

It would be wrong to assume that its financial leeway will automatically be increased by the full amount, since bankers have to take note of contingent liabilities. But leading distributors seem confident that their banks will allow them to make use of a high proportion of the funds which have been freed in this way.

There are a number of other important advantages in the new scheme. There are no strings attached to WVF's service, which leaves the distributor free to offer his consumer credit business to whichever finance house offers him the best terms.

The cost of financing stock in the showroom should be reduced by the fact that a wide spread of different credit risks are being channelled through a single borrower, WVF. The scheme has been designed to allow any distributor who can get funds on finer terms than WVF to take advantage of his high credit standing. And although a bad credit risk is not going to be able to get stock on unrealistically cheap terms—since WVF will set him a low operating limit—he can still attempt to persuade BL Cars itself to cover his stock needs.

In addition, distributors will be free to take stock on to their balance sheet whenever they choose. So they will still be able to benefit from stock relief for corporation tax purposes.

That seems to add up to an overwhelming case for the new system. Yet the fact is that although virtually all British manufacturers and importers now operate some form of unit-by-unit stock finance scheme there is one glaring exception. After a prolonged period of discussions with its dealers, Ford has decided to stick firmly to the bulk deposit system.

The great advantage of its scheme, Ford says, is that because the deposit relates to annual sales it smooths out the peaks and troughs of the distributors' funding requirements. This helps the manufacturer, too, since it helps him to keep up a steady production schedule throughout the year despite seasonal rises and falls of retail sales.

This should also be possible under the new BL scheme, since BL can top up the stock pipeline at its own expense if it wants to. But the big Ford dealers claim that their system is much more sophisticated than the one that BL is now abandoning. And they say that Ford's great strength in fleet sales is a major plus point, since these sales are excluded from the deposit calculations. In other words, the greater the distributor's fleet sales, the lower is his deposit in proportion to his total business.

The main general question raised by yesterday's announcement is whether it represents another form of state subsidy for BL in the shape of "soft" loans to its dealers. Everyone involved argues strongly that it does not. WVF, the statement says, "will be a fully commercial operation and has been structured to produce a commensurate return for its shareholders."

That could mean anything. But Mr. Hugh Jenkins, of the Coal Board Pension Fund, insists that his trustees would have had nothing to do with the new company unless they had thought it would produce a good return. The fund's investment, he says, was motivated purely by financial considerations.

It may be argued that a company cannot provide finance on attractive terms to BL and its distributors — and at the same time produce a proper return for its own shareholders. But there are two special features about WVF, according to BL's executive vice-chairman, Mr. David Andrews. The first is that its overheads will be very low because it will be able to keep track of its commitments through BL's existing stock control facilities. The second is that as a large, centralised borrower it will be able to raise finance at very fine rates.

BL's past tax losses

In theory, WVF's 1¼ per cent margin on its £100m of stock finance should only be reduced by a few hundred thousand pounds to cover overheads and possible bad debt provisions. Add to that, say, £1.5m to allow for the fact that £12.5m of its funds are financed by shareholders, and the pre-tax return on total equity could come to between 15 and 20 per cent. And there is at least a chance that the new company will be able to get its hands on some of BL's vast allowance for past tax losses.

Why, then, did Rothschild not come up with a wholly private sector solution? Its thinking has been strongly influenced by precedents in the U.S., where General Motors Acceptance Corporation and Ford Motor Credit are both run quite separately from the manufacturing companies, linked to them only by a central holding company. In this case, the NEB is the holding company, standing behind the vital contractual guarantees between BL Cars and WVF. The presence of strong independent shareholders highlights a point which is crucial when it comes to raising city finance: WVF will work at arm's length from BL Cars, and will not be swayed by its special production or marketing needs.

All the same, it is hard to think who else would have provided the money on these terms. A consortium of finance houses, for instance, would almost certainly have wanted to tie in the consumer credit side as well. And although the new company will probably pay out most of its earnings in dividends, it will need new funds to keep pace with inflation and rising sales volumes. Its ratio of debt to equity will not be allowed to exceed seven to one, and shareholders are committed to increasing the equity to £25m if required.

Moreover it is possible that the structure of WVF's shareholdings is not based exclusively on financial considerations. The NEB may have political motives for being seen to work comfortably with the City. The pension funds, under the spotlight of the Wilson Committee, may think that this kind of operation will do their case no harm. United Dominions Trust, which has provided a great deal of the expertise and management for the new company, may also gain in status from the association. That, too, could be attractive for a business which is still heavily reliant on the Bank of England's support funds.

Whatever the motives, BL and its dealers are confident that the new stock financing scheme will play an important part in their battle to regain their share of the British motor market. Once it is fully operational, all BL will have to do will be to produce enough of the sort of cars that people want to buy.

MEN AND MATTERS

For Malta to remember us by

The farewell that will bring a nostalgic tear to many a retired admiral's eye takes place next month. The British services will quit Malta completely and for good. Already the flag officer, Admiral Oswald Cecil, has handed over his official residence to the Maltese and is putting up in an hotel.

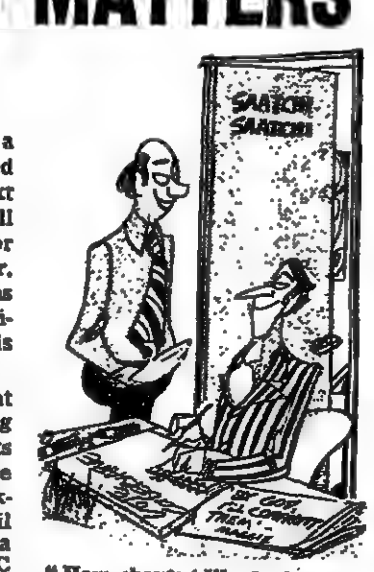
It cannot be pretended that Premier Dom Mintoff is making it a cheery send-off. Imports of British cars and TV sets are blacked by Valletta's dockworkers, the British Council offices are firmly shut, as a reprisal for our support for EEC restrictions on textile imports from Malta.

Mintoff is also annoyed that Fleet Street newspapers have declined to run, free of charge, an advertisement by him stating divers complaints. It is somewhat hard for British journalists to investigate the pros and cons: along with the cars and TV sets, they are also banned from the "George Cross island."

Politely trying to restore the balance, High Commissioner Norman Aspin has put out a list of assets Britain will be leaving behind, free of charge and in full working order. These include: the facilities at Luqa airport needed to maintain it to international aviation standards; the Royal Naval hospital; schools, clinics and a vast refrigeration service.

Just for good measure, we are handing over the keys of an 18 megawatt power station, a fuel storage depot, and 50 miles of pipelines.

All awkward items to take away, of course. But our willingness to turn the other check contrasts with the French way of showing displeasure when leaving Guinea on frosty terms in 1960. Even the light bulbs were removed from the government offices.



"How about: 'We don't want to confront, but by jingo if we do!'?"

Words from Wagner

Britain's trade balance has suffered at the hands of John Wagner for some years. First he was managing director of Grundig (GB), selling West German hi-fi equipment; then he became managing director of Volvo Concessionaires, distributing Swedish cars; next, managing director of Audi-NSU, selling German cars; and finally he ran his family company, which distributes Hasselblad Swedish cameras.

Now, at the age of 46, he is back in the car business, newly chosen by BMW to be managing director of their own British importing company from January next year, when an existing contract runs out.

There is a very different side to Wagner. As a Sunday school teacher he hit on the idea of presenting Bible tales in the form of 15-minute news stories on cassette recordings. With the help of scholars and historians he put together scripts; BBC and CBS newscasters provided the voices.

Today the cassettes, distributed by Wagner's own company, Bible News Limited, are accepted by the Church of England, Roman Catholics, Greek Orthodox, the Southern Baptists and the Charismatic churches of California. The Mormons have just designated them as "officially recommended."

But, however successful Wagner becomes with Bible News Limited, he will not look for profit. "It's just a hobby," he says.

Place for Pugh

The surprise appointment of Sir Idwal Pugh as chairman of the troubled Hodge Group was largely the initiative of Lord Barber, chairman of Standard and Chartered.

Hodge is a wholly-owned subsidiary of Standard Chartered, which was anxious to retain strong Welsh connections in the new appointment. Sir Idwal, with his lilting tones, will certainly supply that: when the appointment was announced yesterday afternoon he was driving down from Wales to his London flat in Dolphin Square.

Pugh will devote several days each wek to the affairs of Hodge in Cardiff. His is not a banking name, by any means. But as Ombudsman he showed that behind his slim, modest exterior is a relentless determination to see wrongs put right. It should serve him well at Hodge.

As we were

Leafing through a words-and-pictures history being released today by Selincourt, the fashion and textile firm, to mark its 60 years as a quoted company, I hit upon something topical. It is a message put out to all employees by the managing director in 1931:

"In normal times a business should not concern itself with politics, but the present situation is so critical for all of us that I feel you will agree with me a departure from this general principle is justified. It must be obvious to everyone that upon the result of the forthcoming Election hangs the fate of our Empire, our Country and of each individual."

Selincourt formerly occupied the site in Cannon Street where the Financial Times now stands. But times change. I should not recommend to the bosses of 1979 the paternalism of the Selincourt managing director's final words: "I would therefore urge upon each individual the importance of recording his or her vote to ensure the return of a National Governemnt."

Magpie Hill mob

Such is the state of affairs, it looks as though any expedient will serve to spread the Government's plea for restraint. The latest contribution to debate, a debate, a pamphlet entitled "A Better Way," is signed by such middle-of-the-road union workers as Sid Weighell, Tom Jackson and Frank Chapple.

The address the signatories use is c/o 16 Magpie Hill, Bromley—a discreet suburban retreat, far from the rough-and-tumble of Transport House. It is also the private address of John Grant, junior minister at the Department of Employment.

The document says it hopes to pull the TUC and the Labour Party back to "a sensible, coherent and responsible approach." You can be sure that Jim will go along with that.

Fishburger

A colleague in New York could not resist the snack bar sign which said "English Style Fish and Chips $2.25." It was fish, sure enough. But it arrived firmly clamped between a sliced hamburger roll and smothered in sauce tartare.

Observer

ECONOMIC VIEWPOINT

Union reform: the two alternatives

THE PROPOSAL in *Economic Viewpoint* last week for a Royal Commission on the economic effects of union power has produced a gratifying number of questions from readers and, inevitably, a certain amount of misunderstanding as well.

The Commission was, of course, not *intended* as an excuse for avoiding action. If delivery men have been told that "they will never drive again" if they cross picket lines, if policemen have ever said that pickets with crowbars can be removed only if they actually use these weapons, then immediate corrective action is required. It is needed quite irrespective of whether the pickets are secondary or not; and I leave it to the lawyers to decide whether this can best be done by enforcing the existing law or by changing it. Nor, on a different plane of discussion, does it require a Royal Commission to say that the tax position—both the *effective rates* and the *speed of rebate* when out of work—should be at least no better for strikers than for other employees. Nor do we need "wise men" to tell the Government of its duty to keep essential services, such as hospitals, in operation even while wage disputes are in progress.

But beyond this there are many unresolved questions. Let us suppose that we had the most perfect labour law imaginable from a purely industrial relations point of view, what then would be the effects of collective bargaining based on the strike threat? Mr. Denis Healey made a perfectly valid point in Parliament last week when he cited the number of strikes in favour of large wage claims which had been supported by *bona fide* secret ballots.

Let us suppose moreover that collective agreements were both legally enforceable and observed. There would still be nothing to ensure that the wage claims and settlements for the new contracts were any more 'moderate' than at present. Similar remarks apply to other fashionable favourites such as two-year contracts or a synchronised wage bargaining season for the economy as a whole.

Donovan

The Donovan Commission of 1968, which was mentioned by some MP's who kindly commented on my suggestion, was not primarily concerned with more far-ranging economic effects of the collective bargain*ing system of the kind which* Mr. Callaghan raises every other day at Question Time.

The point of a Royal Commission is that it would contain members aware of the theoretical issues, but under the right chairmanship *they could* be driven to formulate and answer real world questions. An advan*tage of involving trade unionists* in the work of a primarily analytical inquiry is that they would at least see why many economists of all political persuasions believe (and others deny) that there is a "union problem," which is not merely an expression *of* political prejudice.

*One popular but only half-*correct formulation of the Commission's remit might run as follows: "Inflation could not carry on for long if the funds to finance it were not supplied. But simply holding back on the money supply and doing nothing else would leave us with an intolerable amount of unemploy*ment.*" *What is wrong with this* formulation is that the unemployment in question cannot ultimately be prevented by pumping more money into the system. If anything, this route leads to worse unemployment still. The true problem can thus be reformulated as follows: "Does the exercise of union power raise the long-run sustainable rate of unemployment? If not, what else has done so in recent years? And if the union bargaining system has contributed to higher unemployment which aspects are responsible for this result?" Such questions would open up many other fascinating problems, including restrictive practices.

* * *

A great deal hangs on the answers. For there are two contrasting approaches to wages—and indeed to economic management generally—which cut across normal party and other lines. Does one want more *centralisation, or more local* bargaining? The first road leads to attempts to increase the power of union leaders over shop stewards and of shop stewards over members. It leads to parallel attempts on the *employers' side. The ultimate* aim is a forum, for instance in the National Economic Development Council, where centralised bargaining would take place about the desirable "going rate" of wage increases and *about criteria for exceptions* and special cases.

These ideas go by various *names, such as* "concerted action" or an "educational" or "voluntary incomes policy." The contrasting approach is to move right away from nation-wide bargaining under the television arc lights to localised settle*ments which take into account* a great amount of information and pressures simply not known at the centre.

A good example of the centralising approach is the pamphlet *A Better Way*, just published by a group of moderate union leaders. The goodwill and sincerity of the authors shine through; and the document contains many valuable specific ideas. One example of particular appeal is that of "giving *employees a share in industry's* capital growth not necessarily in the industry in which they work."

On the central issue of a national wage figure, the *Better Way* authors offer a major improvement on similar proposals by the CBI and in some Conservative documents. For they

> ‘In the UK . . . the most promising approach to union power is the decentralised one. . . . More managements are quietly moving to a smaller scale of operation with all that this might eventually imply for labour relations’

realise that it is impossible to negotiate in advance about an average, and recognise that the *so-called* norm would be the minimum to which everyone would consider himself entitled. But as soon as one thinks of a figure, the difficulties become obvious.

It would hardly be possible to have a minimum entitlement under normal conditions of less than the going rate of inflation, at the moment at least 8-10 per cent. On top of this would come the many above-the-norm cases, such as the low paid at one end, and skilled workers wanting to restore differentials at the other. Then there would be *normal wage drift, not to speak* of breakdown cases. Is it at all obvious that the result would be a lower rise in money earnings or less unemployment than the most imperfect collective bargaining under monetary guidelines?

The overwhelming snag about *A Better Way* is that the authors have not solved the *insoluble problem of what* "just differentials" would really look like if we saw them. It is this underlying weakness which has brought down every attempt at a long term incomes policy ever tried in this or any other major industrial country. Given that the basic question is unanswerable is it better to have it shouted from the housetops between leaders of contending groups? Or is it better to leave it to be settled practically by hosts of individual deals which take into account social as well as market pressures, but in a rough, ready and unpublicised way.

At this point somebody is bound to mention the apparent success of the "social co-partnerships" in Austria. Italy and Austria happen to be the two European countries which I most enjoy visiting, so any prejudices I have are favourable. But it is obvious, even from the carriage windows of the Trans European Express that Austria *is part of a much wider economic* grouping based on Germany. There is no need to argue about the just relativity between say a plumber and a fitter when one has only to drive over the border to see what the market-determined ratios actually are.

(Moreover the Austrians have a genius for turning a blind eye to certain matters, which *enables them* to survive worse things than imperfect economic policies. I remember asking a well-heeled Viennese lady who was complaining about the Social Democrat Government, whether there was a tax on inherited wealth. "Effectively no," came the reply. "But please keep quiet. Androsch, the Finance Minister, is standing a few yards away.")

* * *

In the UK. I have no doubt that the most promising approach to union market power is the decentralised one. *Nor* is this just a pipe dream. While endless discussions go on in Congress House, Tothill Street, and Whitehall about new national pay machinery, more and more managements are quietly moving to a smaller scale of operation, with all that this might eventually imply for *labour relations*.

An informal survey by the *British Institute of Management among 40 major manufacturing* concerns suggests this is happening. Indeed hardly one would now contemplate putting up a plant employing more than 1,000 people. "Battalion size" seems the ideal. Companies are doing this for many different reasons, not just wage bargaining.

The new view is that the optimum unit for management is *smaller* than the *technical* optimum; but that it is more important to get the management *size right. In one case a wall* has actually been built to split a large plant into two. In the *smaller unit it* is obvious who the customers are, and what kind of wage the market will stand; and disputes can be handled by personal contacts. Many managements are also also diversifying their suppliers and are determined never again to be caught dependent on one single source for essential *materials and components*.

These developments are not all blissful. They remind one *partially of the self-sufficient* and self-contained estates known as *latifundia* to which the Roman aristocracy withdrew at the end of the Empire to isolate themselves from the crumbling political structure around *them. But there is also* the chance of a genuine small scale social market economy, in which new forms such as workers' co-ops which abolish the wage relation altogether, can be established in an *evolutionary rather* than revolutionary way.

Decentralisation in wage matters has acquired a bad name because of the proliferation of rival and overlapping unions covering a given work*force*. But a reform of union structure and nationwide wage bargaining are two different *things. Indeed the ideal of one* group of wage negotiators for a whole labour force may be easier to achieve on an ad hoc local level than as part of a nation-wide CBI-TUC-Government deal.

The biggest difficulty about a decentralised approach is the public sector. Difficult but not hopeless. The public corporations can be treated as part of the market sector, subject only to financial disciplines. Local authorities could be given more autonomy and more fiscal responsibility.

Even in the case of centrally run public services managers could *be given genuine* cash budgets, which would not be dependent on a pay norm, but which they could allocate between manpower and other expenditure. They would also be able to use these budgets to discuss with the unions the trade off between wages and numbers employed. This will not happen *overnight*, and many have a vested interest in obstructing such moves. But it is a more promising route for Britain than the Whitehall round table, which however idealistic the original motives, serves in practice to canonise envy, pedantry, hypocrisy, narrow-mindedness and every other national vice.

Indeed, I would not be at all surprised if a good Royal Commission came to the conclusion that the main adverse affect of union power on unemployment, economic stability and—indirectly — inflation — arises *from unions' political influence* on Government policies, rather than through their direct impact at workplace level.

In the meanwhile it would improve the temperature if those who discussed these matters in Whitehall, the City and similar places would refrain from suggesting that the only *opposition to incomes policy* comes from political extremists of Right or Left, and try to understand that what is so obvious to them is far from obvious to others.

Samuel Brittan

Letters to the Editor

Trade in textiles

From the Managing Director, Joseph Steinfeld and Co.

Sir,—I write to draw attention to a small paragraph in the issue of January 29 which indicated that South Korea, by 1986, expected to bring its textile exports up to an annual figure of \$10bn, making it the world's leading exporter.

Last April the International Labour Organisation foresaw that changes in international trade could make 1.8m west European textile workers redundant by 1985, and further increases in third world capacity, such as those described, could only worsen what is already a very worrying situation.

It would be idle to ignore a threat of this nature. Production of this magnitude can only be planned with either the American or European markets in view, since the developing countries are, again as stated by the ILO, increasingly capable of using their own man-made and natural fibre production to not only satisfy their home markets, but, again, to look for exports.

Surely our paramount responsibility is to keep our own workers in employment and this can only be done by making it crystal clear to countries like South Korea that their textile *exports to the Community will* be rigorously controlled.

S. Mendelbaum,
Joseph Steinfeld and Co., 928, High Road, Finchey, N12.

A consensus of opinion

From Lord Trenchard

Sir,—Mr. McIlwrick (January 27) writes in relation to my letter of January 17 in which I hoped for a consensus of the *public* and even of politicians. "How do we obtain the consensus of the public, etc." Consensus, of course, refers to the need for reform of our trade union system.

Mrs. Thatcher in the House of Commons on January 16 said to the Prime Minister, ". . . . if he will take steps to deal with *the situation* of trade union power and consider new laws and new practices against picket*ing*, of alleviating the effect of the closed shop and of trying to achieve more secret ballots so that people do not go on strike before they have been consulted about a matter which affects their whole livelihood—if he will agree to take action on these issues, we will support him through and through." Mr. Steel also supported the idea of political consensus on reforms. Both the Conservative and Liberal parties and the majority of individual Labour speakers in the House of Lords made similar suggestions in the emergency debate on January 25.

Neither the Prime Minister nor his spokesmen *in either* House have responded. They continue to maintain either that *reforms* would not work in Britain, or will exacerbate the situation. They appear to wish to continue simply to appeal for the co-operation of the trade unions, and to try to appease them with more price control, etc. They appear to wish that Britain should remain unique, in the degree of compulsion to join and remain a member of the trade union, in the lack of *dependability of agreements* and procedure agreements, in the area of sympathy strikes and picketing, in the matter of financing of strikes through tax rebates and supplementary benefits, and in the facility for strikes against the national interests in key industries.

Some countries believe in standing systems of arbitration at the end of disputes procedures. Mr. McIlwrick's sugges*tion of a relativities board has* merit in relation to key industries and key professions such as doctors and *nurses*, but I believe that the market system must be relied upon to establish the differentials about which he is worried. It has done so in other countries.

Public consensus for reform can only finally be shown in the election against a background of what the parties propose. *Political consensus acting on the* obvious public opinion confirmed by opinion surveys could get under way before the Election, but evidently only if the trade unions will allow the Labour Party to act. Those of us who thought the Labour Party most likely to be able to deal with the situation were clearly tragically wrong.

It would be nice to see more demonstrations against picketing, etc. such as Mr. McIlwrick suggests, but with the closed shop and name-taking it is clearly difficult until reforms bring a limit to excess power.

Lord Trenchard.
Abdale House, North Mymms, Hatfield, Hertfordshire.

Going into industry

From the Managing Director, Business Development Consultants (International)

Sir,—Geoffrey Owen's article (January 23) on the inadequacies of British industrial management gives as one argument to account for it the inability, for social reasons, of industry to attract the country's *ablest* people. This would appear to be one of the main roots of industry's problems.

There is at present a dire shortage of really able managers in the age bracket late thirties to mid-forties for senior production, industrial engineering and R and D positions. Often the candidates short-listed for such *positions* are either in their mid-thirties or in their fifties. It is much harder to find *managers* of top calibre who are now in their forties.

Government statistics show that 21 per cent of graduates went into industry in the mid-1960s compared with 14 per cent in the mid-1970s. Those going into industry in the mid-1960s represent the bulge of talent now in their mid-thirties. They were probably attracted *into in*dustry by the increase in interest in technology caused by the start of the computer euphoria and reflected in the formation of a Ministry of Technology. *The bulge of talent* now in their fifties represents those who went into industry *shortly after* the war when industry was still respectable.

The early 1950s to the early 1960s was a period when socially conscious graduates steered clear of industry with its cloth cap image. With a reduction *by a third in the proportion of* graduates going into industry between the mid-1960s and the *mid-1970s, potential* manufacturing managers now in their twenties can also be expected to be in short supply. If this is so it will only further aggravate *industry's problems over the* next few years.

It is imperative that industry goes all out to recruit managers of the future from schools and universities. High rewards for exceptional performance and the excitement of technology are necessary ingredients for such a campaign.

Terence Hart Dyke.
Business Development Consultants (International).
28, Dorset Street, W1.

The Banking Bill

From the Managing Director Noel Alexander Associates

Sir,—It seems important at this time to give support to Mr. J. Skelton, whose words you reported on January 26, regarding discrimination against UK financial institutions in the Banking Bill: they certainly seem to be justified.

It appears from reading the Banking Bill that a serious loophole arises in connection with *foreign institutions registered in* say Luxembourg, Cayman or similar havens. These places, we know, have some carefully designed banking laws which I would, however, suggest are not specifically aimed to cope with branch banking networks in larger countries. What, for instance, is to stop an institu*tion registering in one of these* centres as a bank (and using this word there quite legitimately in describing itself), then opening a branch in this country, to be followed by a network of branches regardless of whether it is fully recognised here as a bank?

This is not only unfair to *respectably* run British financial institutions, who are denied the use of the word "bank," but also to recognised UK banks, who have to submit themselves to exacting regulations so they may operate as banks. In addi*tion the public in this country* can still be left unaware of the different characteristics of the institutions concerned.

It may be that the new supervisory procedures being introduced in the UK will carefully sort *out the wheat from the* chaff, but there are some organisations already established here *which may fall* into the latter category; do we assume that they will be asked to take out the word "bank" from their description, if it is considered that their techniques of management are contrary to the best interests of banking in this country.

N. A. de Berry.
70, Queen Victoria Street, EC4.

The plight of the thrifty

From the Director, Help the Aged.

Sir,—Antony Gibbs Financial Services (January 29, page 4) has done us a great service in *pointing* out the plight of the thrifty especially at a time when we see powerful unions using their muscle to gain large wage demands. We receive despairing letters from people who have worked and saved hard all their lives and have looked forward to security in retirement only to face rising prices and *falling incomes* — unless they are fortunate enough to have index-linked public service pensions.

We would challenge the Government to devise a system to protect this section of the community, either through further *tax concessions or by some* other means. The Government, MPs and civil servants who make our laws are protected in retirement against the ravages of inflation by index-linked pensions. Unless they can find some formula by which retired people living on investments, or private occupational pensions, *are protected against inflation*, then they should forego these protected pensions.

It has been pointed out to us that if two people, one a public servant and the other a managing director of a small company, had both retired on pensions of £3,000 in 1973, the public servant would now be receiving £7,000 while the company director would still be receiving £3,000 with perhaps a *little topping up by his com*pany. A person who has provided for himself by investment would not even have the topping up.

When the Prime Minister and the Government have settled their differences with the unions, I feel they must immediately turn their attention to *this* problem, or they, and the civil servants, must be morally bound to forego the index-*linking of their pensions*.

Hugh Faulkner.
32, Dorer Street, W1.

Sri Lanka tea industry

From the High Commissioner for Sri Lanka.

Sir,—I refer to the article concernings the Sri Lankan tea industry, by Mr. Kevin Rafferty, appearing on Page 37 on January 25. I do not seek to *take issue* with that article, but there are aspects of this matter which I believe warrant mention for the better understanding of your readers.

The Government is already taking the following steps to meet an anticipated labour shortage due to repatriation of Indian labour. Mid-country tea workers are being given incentives to move to up-country areas where labour may be short in the future; there is an accelerated programme of cottage-building to make estate housing more attractive; estates are being encouraged to provide for labour on a commuter basis, and enhanced wage rates for estate workers are providing inducement to villagers.

Production overall in 1978 was less than in 1977, but all buying sources have commented on an improvement in quality. The *best London auction prices* in recent weeks have been for Sri Lanken BOPP. The fall in production has not been due to a labour shortage but because of climatic factors; eg, low-country production (where weather did not interfere) actually exceeded 1977 levels by 3m Kgs. Also, south Indian production in the Nilgiris in 1978 was lower due to the same climatic factors which prevailed for up-country Sri Lankan tea.

Finally, repatriation of Indian labour is in fact slowing down because of attractive wage rates in Sri Lanka. And, the problems of integrating Indian estate *labour with the indigenous popu*lation have been greatly eased by the collaboration between the former's largest trade union, the CWC, and the Government, with the CWC leader becoming a Cabinet Minister.

N. Wimalasena.
Sri Lanka (Ceylon) High Commission.
13, Hyde Park Gardens, W2.

Today's Events

GENERAL

UK:—National Union of Mineworkers executive meets, followed by pay talks with National Coal Board.

TUC employment, policy and organisation committee meets Ministers to discuss strikes, picketing and the closed shop.

NCB raises price of Phurnacite to coal merchants by £3 a tonne.

Marine safety regulations come into effect requiring better and safer flares.

Sir Kenneth Cork, Lord Mayor of London, lunches with chairman of Guinness Peat Group; dines with Skinners' Company.

Overseas:—Ayatollah Khomeini expected to arrive in Tehran.

Mr. Deng Xiaoping, Chinese Vice Premier, visits Atlanta, Georgia.

Council of Europe, meeting in Strasbourg, debates Mediterranean affairs; Herr Willibrand Pahr, Austria's Foreign Minister, addresses Council.

President Tito of Yugoslavia begins two-week tour of Kuwait, Iraq, Syria and Jordan, to discuss financial aid.

Dr. David Owen, Foreign Minister, flies to Washington to represent UK at Mr. Nelson Rockefeller's memorial service; will meet Mr. Cyrus Vance, U.S. Secretary of State.

Wearing car seat belts becomes compulsory in Eire.

PARLIAMENTARY BUSINESS

House of Commons:—Motion to appoint Joint Committee on the special Commission on oil sanctions.

House of Lords:—Debate on the report of the Select Committee on the Foreign Boycotts Bill.

Select Committees:—Nationalised Industries, sub-committee D. Subject: Consumers and the Nationalised Industries. Witnesses: National Consumer Council, Room 8, 10.45 am. Expenditure, trade and industry sub-committee. Subject: Domestic Air Fares. Witnesses: Shetland Islands Council; Logan Air. 9.30 am, HIDB, Bridge House, Inverness.

COMPANY RESULTS

Final dividends: Lonsdale Universal. Trust Houses Forte. Interim dividends: Garford-Lilley Industries. Kinta Kellas Rubber Estates. Longton Transport (Holdings). Malaysia Rubber Company. Louis Newmark. Steinberg Group. Wholesale Fittings Company.

COMPANY MEETINGS

Akroyd and Smithers, 2, Austin Friars, EC, 12.30. Brockhouse, Victoria Works, Hill Top, West Bromwich, 12. Trans-Oceanic Trust, 120, Cheapside, EC, 10.30.

UK COMPANY NEWS

Lonrho reaches £93.6m after static second half

FROM turnover up 19 per cent to £1.49bn. profits before tax of Lonrho increased to £93.6m in the year ended September 30, 1978, against £90.2m previously.

First half profits had risen from £39m to £42m and in November the directors said indications for the year were for profits at least as good as those achieved in 1976-77.

A large proportion of the year's turnover was derived from UK investments, the board now reports. The profit includes associates' contribution of £16.51m against £6.48m.

The associates include the investment in the House of Fraser and the Nigerian companies following the reduction of shareholding in John Holt in Nigeria from 80 per cent to 40 per cent.

Earnings per 25p share are shown as 24.33p against 27.04p. The final dividend is 4.25p net raising the total from 6.5512p to 6.65p.

Attributable profits, before extraordinary items, are down slightly at £46m

The year's profit also includes unaudited results of £2.7m for nine months for certain overseas subsidiaries as well as a share of associates' profits totalling £4.2m.

HIGHLIGHTS

Lex includes a comment on the annual figures of **Lonrho**, coming just ahead of the Monopolies Commission's report on the SUITS' take-over, and assess the position of **Tozer Kemsley** following the loss of its BMW franchise. **Northern Foods** appears to be gearing-up for a series of acquisitions. Meantime **Redland** has received Treasury permission for a substantial rise in its dividend because of a Eurobond issue. Elsewhere, full-year results from paint group **Blundell-Permoglaze** reflect an upturn in market share, while the **Prestige Group** provides another year of steady profits growth. Finally **Aaronson's** results are roughly in line with the rights issue forecast.

McKay Securities sees £0.6m

REPORTING AN increase in pre-tax profits from £193,000 to £301,000 in the six months to September 30, 1978, the Board of McKay Securities, property investor and developer, expects results for the second half to be not less than those announced.

The net interim dividend is effectively raised from 0.26059p to 0.35p, and the Board anticipates recommending a similar amount for the final. Last year's total payment was equivalent to 0.52518p on pre-tax profits of £386,000.

Gross rents in the six-month period were up from £598,000 to £752,000. Sales of properties by overseas trading companies realised £145,000 (£238,000).

Interest and outgoings on properties in course of development take £13,000 (£5,000). Tax is payable at £149,000 (£74,000).

Aaronson ahead to £3.5m and further increase forecast

AFTER REPORTING record taxable profits for the year to September 30, 1978, the directors of Aaronson Brothers are forecasting a further profits increase for the current year.

The group raised pre-tax profits from £2.84m to £3.47m on sales up from £27.61m to £34.2m. At the halfway stage profits stood at £1.68m, against £1.57m.

The directors say the result was achieved without price increases and was due to substantially increased productivity which enabled higher costs to be absorbed with very little effect on the net profit margin, which was 10.14 per cent, against 10.28 per cent.

They add that the current year has got off to a good start, despite the recent national industrial disputes which temporarily closed two plants, and affected production at some of the other factories.

However, subject to normal trading resuming shortly, and continuing throughout the year, the directors anticipate a further profits increase for the current year.

After tax and minorities, the attributable profit is raised from £3.3m to £2.54m and stated earnings per 10p share on a fully diluted net basis are up from 10.81p to 11.41p, and on a nil basis 13.33p (11.72p).

The final dividend is hoisted from 1.36158p net to 2.5p as forecast at the time of the rights issue last year. The total is raised from 1.97158p to 3.5p. Treasury approval has been given.

The directors state that Corporation Tax payable over the next three years will be minimal due to planned capital expenditure and stock levels. Therefore the provision for deferred tax amounting to £2.23m, is no longer required and has been written back to reserves. The directors have also decided to set off the unrelieved ACT of £589,000 against the deferred tax being written back, although this remains available for relief against Corporation Tax payable in future.

Included in the tax charge for this year is £490,000 ACT relating to this year. The comparative figure has been adjusted by £266,000.

	1977-78 £000	1976-77 £000
Sales	34,203	27,612
Trading profit	3,420	2,795
Profit of associated	48	44
Profit before tax	3,468	2,839
Tax	593	167
Profit after tax	2,875	2,672
Minorities	338	369
Attributable	2,537	2,303
Dividends	991	513

● **comment**

Aaronson's pre-tax profits are roughly in line with its rights issue forecast of twice the interim figure. Net margins meanwhile, are virtually unchanged and even edged ahead by more than half a point in the second half. This is impressive given 18 months without a price increase and reflects the benefits from Aaronson's heavy capital spending now approaching £7½m over the last three years. Margins, of course, touched 16.4 per cent in the golden days of 1973 but European imports have since made Aaronson's markets much more competitive. Imports are still a problem but the company has met the competition with greater efficiency and at the same time picked up valuable market share. In particular, prices have been pegged in the important DIY and furniture sectors. Acquisitions (Formica's MFC facilities and more recently Melinate) will obviously boost the current year though Aaronson is confident about sustaining the present rate of organic growth. Certainly, the full benefits of past capital outlays have yet to be felt but much will also depend on how quickly prices can realistically be raised and what happens to consumer spending in the next few months. At 66p the shares are on a P/E of 5.6 and a yield of 8.2 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aaronson	2.5	April 9	1.36	3.5	1.97
Blundell-Permoglaze	2.08	April 2	2.03	3.22	2.89
Lonrho	4.25	April 5	4.22	6.65	6.55
McKay Secs. ......int.	0.35	March 23	0.26*	—	0.53*
Prestige Group	3.74	April 6	3.53	6.24	5.58
Sommerville ......int.	0.55	—	0.5	—	2.75
Tanjong Tin ...sec. int.	2.5	April 2	2.5	—	8.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Prestige up 9.6% to peak £6.85m

FOLLOWING A rise from £2.48m to £2.72m at midway, Prestige Group, the domestic houseware concern controlled by American Home Products Corporation, expanded pre-tax profits by 9.6 per cent from £6.25m to a record £6.85m for 1978. External sales gained 8.4 per cent to £59.52m.

Stated earnings, before extraordinary items, increased from 18.963p to 20.819p per 25p share, while a final dividend of 3.736p net lifts the total payment to the maximum permitted 6.236p (5.5845p), covered 3.3 times.

Tax took £3.05m (£2.78m) and there was an extraordinary charge of £84,000 this time, representing an addition to the £700,000 provision made in 1975 for costs resulting from the closure of the group's Belgian factory in that year.

Ordinary dividends absorb £1.13m (£1.01m), leaving retained profits higher at £2.56m against £2.42m.

In accordance with SSAP 15 deferred tax is now only provided where there is a reasonable probability that it will be required to be paid in the foreseeable future. In previous years full provision was made.

Accordingly £1,597,000 of the deferred tax provision has been transferred to unappropriated profits.

Goodwill is now charged against unappropriated profits in the year of acquisition and not, as previously, carried forward as an asset.

A total of £3,182,445 has been charged against unappropriated profits, which includes £2,911,787 relating to goodwill arising in prior years.

	1978 £	1977 £
External sales	59,515,298	54,890,407
Trading profit	7,064,365	6,435,129
Short-term deposit income	253,116	232,654
Interest payable	467,851	415,489
Profit before tax	6,849,629	6,252,354
Taxation	3,046,690	2,786,711
Net profit	3,802,939	3,465,643
Preference shares†	28,958	32,196
Extraord. debit	84,000	—
Available for ord.	3,689,981	3,433,447
Ord. dividends	1,130,438	1,011,136
Carried forward	2,559,547	2,422,311

† Comprises £28,024 (£29,776) transfer to capital reserve for redemption of preference shares and £934 ([illegible]) dividends.

At the year-end fixed assets at cost less depreciation amounted to £9.3m. Expenditure on fixed assets during the year was £2.01m (£1.8m).

Current assets totalled £26.82m, of which £3.97m (£3.52m) was represented by cash and short-term deposits and loans. Stock and debtors amounted to £11.94m (£11.32m) and £9.64m (£8.56m) respectively.

Current liabilities totalled £10.27m (£10.57m) and medium and long-term loans were £2.68m (£2.71m).

● **comment**

Prestige Group's 10 per cent profits rise for the year matches the average annual rate of growth over the past decade. This steady, if unspectacular, record is due to two main reasons—the company's wide range of products and markets, which provides protection against setbacks in any particular area, and a large element of overseas manufacturing capacity, a factor which insulates against movements in exchange rates. However, the latest results reflect little, if any, increase in sales volume so the group has not been able to make any headway during the consumer spending boom. The most likely reason is competition from cheaper imports and this could signal slower growth in the future. Meanwhile, the shares, at 174p, are on a p/e of 8.2 while the yield is 5.5 per cent compared with 7.5 and 6.9 per cent for the household goods sector—a rating which reflects the company's strong balance sheet, its record and support from the U.S. parent company.

Slump at Massey Ferguson

Profits before tax of Massey-Ferguson Holdings plunged from £29.1m to £3.49m for the year ended October 31, 1978, on turnover up £10m to £528.35m.

After tax of £0.94m (£14.17m) and an extraordinary debit of £4.13m this time, there was a turnround from £14.94m profit to a £1.58m loss.

The extraordinary item includes provisions in respect of a possible rationalisation of production facilities within the UK.

Stated loss per £1 share was 19.8p, compared with 186.7p earnings. No dividend is again payable.

The company is a wholly-owned subsidiary of Massey-Ferguson Ltd (Canada).

Redland's $25m issue and 50% dividend increase

Redland Group, the building materials company, has got permission for a dividend increase of 50 per cent through a $25m bond issue with warrants attached.

The money is to be used to repay foreign currency borrowings some of which were incurred through the take-over of the American company, Automated Building Components, manufacturer of specialised roofing components.

But Redland says the borrowing will also finance further projects outside the UK.

Redland expects the bonds to carry a coupon of 9½ per cent. The attached warrants will entitle holders to subscribe for 100 shares at a premium of probably 15 per cent above the market price at the date of the offering. They can be exercised at any time after March 15 for the next 11 years.

This is the second issue Redland has made in the eurobond market. The first was one of DM 80,000,000 7½ per cent Bearer Bonds 1969-84 issued in 1969. Redland exercised its option to redeem the outstanding balance of that issue early.

The Treasury has given permission for a dividend of 6.38p net per share for the year ending March 31 1979. This is an increase of 50 per cent over the 4.22p paid the previous year. The directors intend to pay a second interim dividend of 3.829p net prior to July 31 when the current dividend control is due to expire. This will be paid on September 24.

News of the issue came too late to affect Redland's share price yesterday. It rose 1p to 161p.

The lead manager to the issue is Baring Brothers and Co.

Blundell advances to £1.78m

RECORD PROFITS are announced by Blundell-Permoglaze Holdings for the year to October 31, 1978. The group, which is a paintmaker and supplier to the building industry, turned in taxable profits up from £1.13m to £1.78m on turnover ahead from £16.95m to £18.95m. At the halfway stage pre-tax profits jumped from £274,000 to £603,000.

On prospects, Mr. N. G. Bassett Smith, chairman, says the company has been affected by the lorry drivers' strike but if there are no further major industrial disputes during the coming weeks they will soon recover the lost ground.

He adds that in that event he would expect to be able to give shareholders a confident forecast at the annual meeting.

Mr. Bassett Smith says the decorative and export divisions have been affected by the strike, particularly in Hull, although in other divisions it has not been as serious.

During the year under review, he adds, the group's volume sales were 8.2 per cent higher than a year ago and comfortably exceed the industry's performance.

Attributable profits come out at £1.09m, against £661,000 after tax, minorities and extraordinary items, and earnings per 25p share are shown up from 10.3p to 14.9p.

The final dividend is raised from a 2.03p net to 2.08p, lifting the total from 2.89p to 3.22p.

Mr. Bassett Smith says the company applied to the Treasury to increase its dividend beyond 10 per cent, stressing that trading profits since 1972, the period of dividend restraint, have almost trebled. But the application was rejected.

	1977-78 £	1976-77 £
Turnover	18,945,275	16,954,265
Profit before tax	1,780,158	1,132,205
Tax	813,492	469,757
Minorities	14,161	8,469
Extraord. credits	138,675	5,888
Attributable	1,091,178	660,867

● **comment**

Blundell-Permoglaze's performance in 1977-78 reflects a slight increase in market share plus action to cut its losses from the ill-fated Scottish expansion. Overall its sales in volume terms are 8.2 per cent higher than the previous year while the figure for the industry over the same period is between 5 per cent and 6 per cent. The bulk of the increase came through a jump in decorative paint sales. The industrial division, however, which supplies paints to the lighting and motor trades, was knocked by the Ford strike. Profit growth by export division also seemed to strike problems in the second half. Its share of overall trading profits was down from 19 per cent in 1976-77 to 16 per cent in the latest year. Looking at current prospects results will be affected by the transport strike but the company remains confident. The shares, at 90p have a p/e of 5.9 and a yield of 5.5 per cent.

Grimshawe well ahead at midway

AN INCREASE of 98.6 per cent in profit from £52,529 to £104,340 for the six months to October 31, 1978, is announced by Grimshawe Holdings, the industrial group.

Turnover advanced 18 per cent from £1.66m to £1.97m.

Reporting on the group's greatly improved position, Mr. Thomas Kenny, chairman, points out that there are substantial unabsorbed tax losses to be set against future profits before tax is payable.

The half-year figures include the results of Aspex from the date of acquisition—August 31, 1978.

At that date, Mr. Kenny recalls, the company's net current account indebtedness to banks was £1,266,415. Taking into account the effect of the arrangements with the Midland Bank (completed in December, 1978) the indebtedness at October 31, 1978 was reduced by over £1m to £196,115.

The chairman wrote to shareholders on January 2 with details of the Midland Bank scheme. He now reports that, as planned under those arrangements, a Receiver has been appointed to the subsidiary company, Grimshawe Securities. He is Mr. Peter Mertens, a partner of Robson Rhodes, the group's auditors. Grimshawe Securities will no longer be treated as a member of the group.

Brooke Tool confident of earnings growth

IN ACCORDANCE with its policy of expansion through internal growth and acquisition, Brooke Tool Engineering (Holdings) purchased after the year-end the ordinary capital of Strongs British Precision Tools, Sheffields-based manufacturer of specialist twist drills, reports Mr. D. M. Saunders, chairman of Brooke Tool, in his annual statement.

The purchase price was about £200,000. The type of business undertaken forms a natural extension to the existing product range of Beever Tools, an operating company, adds Mr. Saunders. It will therefore strengthen the group's overall position in the specialist cutting tool market.

The current year has started satisfactorily, showing a continuation of the improvements in recent years, and the directors are confident that, given reasonablet rading opportunities in the UK and overseas, the group can continue to achieve further growth in earnings.

As reported on January 18, pre-tax profits for the year to September 30, 1978, were doubled at a record £324,800 on turnover 18 per cent ahead at £5.7m.

In the machine tool and fabrication division, the Boxford development programme is progressing satisfactorily. The company is also involved in updating and replacing productive plant which, together with better handling and finishing facilities, should improve cost competitiveness in the future.

Trading results at Hayes were much improved, and it is hoped to complete a move to new premises during the coming year. With the order book still high, prospects for Fred Whiteley are again encouraging, providing customers maintain their own scheduled production programme.

In the cutting tool division, Tungsten Carbide Developments had a reasonable trading year and achieved its forecast level of profits on turnover some 30 per cent higher despite cutbacks on certain contracts from the NCB. Steady expansion is anticipated over the next few years.

Current orders are being maintained at a very healthy level at Brooke Tools, and 1978-79 should see continued improvement in market penetration and profitability.

Meeting, Great Eastern Hotel, EC, on February 23 at 2.30 pm.

Crest International

Since its year-end, Crest International Securities has completed the sale of the property owned by its Dutch subsidiary, which removes the uncertainties within the group, says Mr. E. Landau, the chairman, in his annual statement.

The company has also sold two subsidiaries for a substantial sum, part of the proceeds of which has been received.

In order to complete the directors' policy of maximising cash resources, its remaining investments have also been realised at attractive prices.

A pro forma balance sheet reflecting the sale proceeds thus far received shows shareholders' funds amounting to £222,485, represented entirely by short-term deposits earnings interest at beneficial rates.

Meeting, 325, City Road, EC, February 20, noon.

BIDS and DEALS

Crown House emerges as Best and May suitor

THE SUITOR for Best and May, the electrical equipment stockist, turns out to be the largest shareholder and fellow electrical specialist, Crown House, through its Lygon Securities subsidiary.

The bid, which is agreed between the two boards, is a share and cash mixture which values Best and May at 83p a share, or £1.9m, compared with a pre-suspension price of 65p a share.

Crown House is offering one of its own shares—which rose 1p to 67p after the announcement—plus 16p in cash for each Best and May share. Following resumption of dealings Best and May shares lifted to 81p matching the original offer value.

The bid price represents nearly 10 times historic earnings, but Crown House is taking few chances over the immediate profit prospects. One of the conditions of the bid is a formal profit forecast from Best and May guaranteeing that profits this year will exceed the £309,000 produced last year.

Interim figures from Best and May for the period to October, revealed pre-tax profits of £174,000—a 10 per cent improvement over the comparable period.

Best and May's board, advised by Hill Samuel, has agreed to the offer and the conditions, and will vote its acceptance of 11.5 per cent. Combined with Lygon's existing holding this will give Crown House a stake of just over 31 per cent.

GA IN PUERTO RICO VENTURE

The General Accident Group in association with Gomez and Co., is setting up a new insurance company in Puerto Rico, the General Accident Insurance Company Puerto Rico. It is intended that it will handle the entire casualty and property portfolio of Gomez.

The GA is the largest British insurer in Puerto Rico with a total premium income of about £4m a year. Gomez has been the general agents for GA in the country for over 50 years. GA will hold a majority shareholding in the company, with Gomez being actively involved in the management. But GA will also continue to operate in Puerto Rico in its own name through the general agency of Carrera and Co. of Mayaguez.

It is hoped that the formation of this new company will provide a suitable structure for still greater expansion of general insurance business in Puerto Rico and provide an even closer identification with the needs of the local insurance market. It is anticipated that premium income will increase substantially under the new arrangement. The company will have offices in San Juan and Mayaguez.

ALLSTATE FORMS REINSURANCE OFFSHOOT IN UK

Allstate Insurance, one of the top three U.S. insurance companies, has formed a London-based reinsurance company.

The new company, Allstate Reinsurance Company (UK) has an authorised capital of £2m of which £1.25m is fully paid up in cash.

The underwriting for the new company, which will accept non-proportional treaty reinsurance from Lloyd's brokers, is to be managed by Donald Fox and Partners (Underwriting Management).

Allstate already owns the Federated Insurance Company of Sale, Cheshire, and the group has also formed a joint insurance venture with Great Universal Stores.

PAWSON BUYS LEA HATS

W. L. PAWSON AND SON is acquiring Lea Hats of Luton, for £185,000 cash plus the issue of 60,000 ordinary shares to the vendors plus such further number of shares as will, when placed, realise £130,000 net for the vendors.

At May 31, 1978, net tangible assets of Lea and its subsidiary amounted to £460,604, including £171,854 deferred tax. Consolidated profit for year ended on that date totalled £116,128 before an exceptional pension scheme contribution of £49,439 and tax £31,808.

Lea and its subsidiaries—Marida Hats and Marida (Export)—manufacture and sell ladies' hatwear. Turnover of £1,187,678 in the year ended May 31, 1978 was exported.

Pawson believes that the acquisition will improve the sales and profits of both Lea and the existing Pawson Group.

CRONITE PURCHASES

Cronite Group, is buying from Mr. G. W. Adams, Miss L. A. Edwards and Mr. S. R. Ward 60 per cent of the capital of Ward Plant Spares (Henley), and all the capital of S. R. Ward Import Export, Moovmor Engineering and Moovmor Marketing which carry on the business of design, manufacturer and sale of agricultural and industrial mechanical handling equipment. The consideration is £20,000 satisfied by 51,282 shares. The value of the assets being acquired is £1,147. Net losses before tax amounted to £22,744. Cronite considers that significant benefits will emerge from the acquisition.

G. D. SEARLE SELLS LABORATORY SIDE

The managers of ClinPath Services have bought the Clinical Pathology Laboratory Division of G. D. Searle and Company for £475,000.

The Clinical Pathology Laboratories located at Harley Street and High Wycombe, provide an analytical service in the fields of biochemistry, haematology, endocrinology, etc.

Searle has sold the business as part of its policy of reducing all activities other than pharmaceuticals.

Industrial and Commercial Finance Corporation and Keyser Ullman have provided financial support for the buyers.

PITTARD DEAL WITH WHITECROFT

The Boards of Pittard Group and Whitecroft announce that terms have been agreed for the acquisition by Pittard's subsidiary—W. and H. Miers—of the assets and business of Midland Leather, Whitecroft's only subsidiary engaged in the leather tanning industry.

Pittard intends that after a preliminary period during which the business will continue at the premises occupied by Midland Leather in Rochdale, production will be moved to Miers which operates from a modern factory in Leeds.

NO PROBES

The following mergers are not to be referred to the Monopolies Commission. Lombard Insurance Company (UK), Elizabethan Marine and General Insurance Company; CTS Corporation, a minority shareholding in A. B. Electronic group; General Electric Company, A. B. Dick Company; Dart Industries, P. R. Mallory and Co.

TEBBITT

Tebbitt Group has completed the acquisition of Safecastle first announced on January 2.

Camrex drops Dufay bid

Camrex (Holdings) has abandoned its plans to make a full-scale bid for Dufay Bitumastic.

In a short statement issued last night Camrex, a specialist in anti-corrosion coatings, said, "since they have been unable to obtain the recommendation of the Board of Dufay to a general offer to shareholders of Dufay at 50p per share, they do not at present intend to make any offer, but to retain the 3,303,204 shares (29.75 per cent) of Dufay recently acquired."

The early retreat of Camrex after an announcement that Dufay, a manufacturer of surface coatings, announced a bid-resisting dividend lift. This gained Treasury approval yesterday.

A total dividend of 2.345p net is to be paid for 1978. This includes a final of 1.78p net.

For the year 1979 Dufay will be paying total dividends of 2.68p net. Of that amount 1.2p net per share will be paid at the interim stage, and 1.48p will be paid as a final.

Dufay's chairman Mr. Cecil Attwood said last night "Camrex have just been shouting about a 50p bid. They have never put anything on the table."

If a bid had emerged at the mooted price of 50p it would have been vigorously contested by Dufay.

It was just a week ago that Camrex announced that after acquiring a 29.75 per cent shareholding (from a Mr. Geoffrey Kohn) it was "approaching the board of Dufay with a view to procuring their recommendation for a general offer to shareholders at the same price" at which it had purchased its stake—50p per share.

Its announcement came just two days after Dufay had announced the end of exploratory merger talks between the two groups and called for an investigation into recent dealings in its shares.

Camrex paid £1.65m to acquire its near 30 per cent stake and a 50p offer for the outstanding Dufay equity would have valued the group at £5.5m.

Dufay called for an investigation into dealings in its shares after an apparent leak to the Press which suggested that a takeover bid for Dufay was likely.

On the back of takeover speculation the group's shares rose 3p two weeks ago to 45p, but fell after Dufay announced the end of merger talks.

Last night the group's shares were 49p, up 2p.

LEYLAND PAINT BUYS NORTHERN FOODS OFFSHOOT

Leyland Paint and Wallpaper has agreed to acquire from Northern Foods the capital of its subsidiary Beckwith and Webster, for £315,000 cash.

Beckwith operates 13 shops engaged in the retail paint and wallcovering business. These trade under the name of Turners Decorating, in the north-east of England, and a wholesale hardware business in Middlesbrough.

RUGBY CEMENT IN AUSTRALIAN HOTEL DEAL WITH HILTON

Rugby Portland Cement Company announce that the wholly-owned Australian subsidiary—Parmelia Hotel Pty. and Mill Holdings Pty.—which operate and own the five-star Parmelia Hotel in Perth, Western Australia, have reached an agreement with Hilton International to take over the future operation of the hotel.

The agreement is for a minimum of 20 years and provides for Hilton to lease and operate the hotel, in return for a minimum rent subject to inflation adjustment and for a share of profits above an appropriate level.

From the first full year this should substantially improve the profitability of the hotel, which remains the property of the Australian companies and will revert to them at the end of the lease.

The hotel will be known as the Parmelia Hilton International.

BIRMID'S GERMAN FOUNDRY VENTURE

Birmid Qualcast announces plans for a 49 per cent participation in the establishment of a new foundry operation at Neunkirchen, West Germany, to be known as Columbus Neunkirchen Foundry.

The foundry at Neunkirchen will have a similar product range and be equipped identically to one built by the 51 per cent shareholder, Columbus Foundries in the U.S.

The foundry is scheduled to start up in October, 1979. The cost of Birmid's participation is around £1.5m.

Plantation's share activity

THE PLANTATIONS sector came to life yesterday with no fewer than four companies reporting activity in their shares.

A mystery bidder apparently waits in the wings for St. George Assets, a small investment company which owned rubber plantations in Sri Lanka prior to nationalisation.

Yesterday the company asked for its shares to be suspended pending a reorganisation details of which it intends to publish shortly.

At the same time the board said that it had received an approach "that could materially affect the structure of the group." Discussions are still continuing.

St. George's plantations were nationalised in 1975 and the company has reported annually that the compensation tranches have been coming through on time. The proceeds have largely been invested in short dated gilts.

In the Camellia group of plantation companies, the grip on Eastern Produce has been tightened. Lawrie Plantation Holdings, one of the Camellia camp, has bought 100,000 shares, increasing its interest to 559,154 shares (5.32 per cent). But the interest of the Camellia group as a whole is over 10 per cent. The interest breached this level in October last year when the normal take-over requirement was waived by the City Take-over Panel. The requirement was waived because under the rules the bid would have had to be at a price which was well below the then market price. The Camellia group can now buy 2 per cent a year in the market without having to mount a bid.

The two other companies whose shares were dealt in belong to the M. P. Evans group. Just over 7 per cent of Padang Senang Rubber is now held by Warren Tea Holdings. Warren acquired some shares in Padang when it bought Supara in 1977. The stake has reached 173,500 shares through the purchase of 45,500 shares at around the market price at the end of last week. Warren says there is no bid intention. The M. P. Evans group also bought some of the same line of shares which became available.

Kuala Lumpur Kepong Investments is now the owner of 149,000 shares (5.01 per cent) in another M. P. Evans company, Beradin Rubber Estates.

DERITEND BUYS IN IRELAND

The Deritend Group of precision engineers has concluded negotiations with the Industrial Development Authority of Ireland to buy Investcast (Ireland), Roscommon—the country's only investment casting company.

Deritend is installing additional plant and equipment to double the company's capacity to £1m annual turnover over the next three years and to treble staff to some 40. It is to be renamed Roscommon Precision Castings.

Deritend produces complex investment castings from under 2g to 50kg in weight with cast surface finishes down to 80 microinches and tolerances of ±0.13mm per 25mm. A wide variety of steels, cast and special iron-based alloys, copper-based, aluminium and special-purpose alloys are utilised.

HARTWELLS

Hartwells Group announces that owing to accounting delays completion of the acquisition of the businesses of W. P. Spearman and Christopher Heating, the plumbing engineers, has been postponed from January 31 to February 28. The purchase price is to be fixed by reference to net asset values as at last November.

SHARE STAKES

Yarrow—Vosper has acquired 77,500 shares and now owns 22.94 per cent of the capital.

Capital and National Trust—London and Manchester Assurance Company bought 20,000 shares on January 24, making total held 755,579 (more than 5 per cent).

Barton and Sons—Prudential Assurance Company holds 5.07 per cent.

John Foster and Son—Pearl Assurance Company following recent rights issue, hold 355,031 shares (4.92 per cent).

Stock Conversion and Investment Trust—Kuwait Investment Office bought 85,000 shares between January 18 and 24 to make holding 1,530,000 shares (5.11 per cent).

Tanjong Tin Dredging—Tienik Enterprises Son. Bhd. of Kuala Lumpur is beneficially interested in 185,000 shares (about 12.4 per cent).

Northern Foods seeking £191m borrowing limit

AT the AGM of Northern Foods the directors propose to change the Memorandum and Articles of Association of the company.

In a letter accompanying the annual report and accounts they explain that the changes to the Articles concern their powers to borrow money.

They state that although they have no present intention of materially increasing borrowings they consider it desirable that a new limit of an amount equal to twice the aggregate of the issued and paid-up capital and the consolidated reserves be imposed.

On the basis of the September 30, 1978, accounts the new borrowing limit would be £191.5m. As at December 30, 1978, the borrowings to be taken into account under the new Article were some £184m.

Two of the new Objects of the company would be:

A—To carry on business as an investment holding company and to control and co-ordinate the administration and operation of any companies, syndications or firms for the time being directly or indirectly controlled by the Company.

B—To promote any other company for the purposes of acquiring the whole or any part of the business or property and undertaking any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid; and to provide money for or invest money in any other company, syndicate or firm with a view to obtaining contracts or other advantages.

In his annual statement Mr. Nicholas Horsley, chairman, says the current year has started well although it is too early to make a forecast he expects further progress in the 12 months.

The company faces the future with a strong financial base, a sound policy built around existing markets and an excellent history of profit growth. Taking these factors into account, Mr. Horsley foresees vigorous growth both organically and by selective acquisition.

As reported on December 20, taxable profits for the year to September 30, 1978, rose from £17.91m to £22.4m on turnover of £302.64m against £232.32m.

On a current cost basis pre-tax profits are shown at £19.02m (£12.88m), after adjusting for depreciation £3.22m (£3.29m), cost of sales £1.06m (£2.41m) and gearing £0.9m (£0.67m).

A statement of source and application of funds shows an £8.3m (£2.6m) increase in working capital.

It is also announced that **Leyland Paint and Wallpaper** has agreed to acquire from Northern Foods the capital of its subsidiary company, Beckwith and Webster, for £315,000 in cash.

Beckwith operates 13 shops engaged in the retail paint and wallcovering business, under the name of Turners Decorating, in the north-east of England, and a wholesale hardware business in Middlesbrough.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Garford-Lilley Industries, Kinta Kellas Rubber Estates, Longton Transport, Malaysia Rubber, Louis Newmark, Steinberg Group, Wholesale Fittings.

Finals—A.C.E. Machinery, Associated Fisheries, Lonsdale Universal, Trust Houses Forte.

FUTURE DATES

Interims—
MFI Furniture Centres .... Feb. 13
Press Tools .... Feb. 13

Finals—
Dewhurst Dent .... Feb. 7
General Consolidated Inv. Tst. Feb. 13
Scottish United Investors .... Feb. 2
Vereeniging Refractories .... Feb. 13
Wardle (Bernard) .... Feb. 15

GREENFIELDS

Greenfield Milletts has now changed its name to Greenfields Leisure.

Record orders for ICL

ORDER BOOKS at ICL were standing at a record level at the end of the first quarter of this year, Mr. Tom Hudson, chairman, told a packed annual meeting yesterday.

Sales continued to be buoyant and he was confident that the outturn forecast at the time of the annual report would be supported. It was, however, difficult to foresee the effect of the present industrial unrest so more detailed comment must await the interim figures which will be published at the end of May.

Mr. Hudson tentatively suggested that if and when Government controls on dividends are lifted, shareholders can expect a significant increase in their dividend.

"I believe that this sort of high technology industry needs a high retention of earnings," he said. "But this need not be as high as a cover of seven. There is scope in the future for increases in the dividend if government permits.

Mr. Hudson pointed out, however, that the company had approached the Treasury last year to ask for permission to increase the dividend beyond the 10 per cent ceiling and had been refused.

The board was confident that 1979 would be a year of continued growth both in profits and turnover. One of the keys to this, Mr. Hudson explained, was increased capital investment and this was being done.

He admitted that group productivity was very much lower than the major competitors, 90 per cent of whom were American owned, and improvement in this area was a slow and complicated process.

Meanwhile he did not fear Japanese competition as such. The Japanese did not have an extraordinary advantage in the field of computers. The cost of the hardware was a small proportion of total costs: the key costing element was service which has to be supplied by local labour in the local market.

Mr. Hudson believed that one indication of the City's confidence in the group was that Plessey's offer for sale of its stake was oversubscribed three times and the shares had been split among 100 institutions. As a result the NEB's stake had increased to just over 25 per cent.

The company is keen to partake of the new Government drives in new technology. It has recently appointed a full time senior executive to discuss with Government areas in which ICL might expand—such as microprocessors—where Government grants (not loans) are available.

In answer to a shareholder's question Mr. Hudson also reaffirmed the group's intention to trade throughout the world. South Africa accounted for a third of overseas sales, and 90 per cent of all sales to the African continent.

Western Deep considers a £173m expansion

BY PAUL CHEESERIGHT IN JOHANNESBURG

SOUTH AFRICA'S major mining house, Anglo American Corporation, is studying the possibility of a major expansion costing R300m (£173m), to its Western Deep Levels gold mine in the Transvaal.

The expansion would involve the sinking of a new shaft into the Ultra Deep Levels area to the south of the existing mining area, according to senior executives.

Western Deep is already the world's deepest gold mine, with operations taking place at a depth of more than 13,000 feet, but a new shaft would go even deeper than this to around 14,000 feet.

The Ultra Deep Levels area is the only feasible expansion possibility for the mine. Its lease area is surrounded on all other sides—by Elandsrand to the west, **Doornfontein** to the north-west, **Blyvooruitzicht** and **West Driefontein** to the north and **East Driefontein** to the east.

No final decision on the expansion has yet been made. Western Deep has on hand at present the building of a R50m uranium treatment plant, the financing plans for which are not completely settled. It is waiting for a consumer financing loan, but if the interest rate demands for this prove too high, funds will come from within the Anglo group.

The uranium plant should become operational by mid-1980, and the Anglo executives made it clear that they were not keen for the shaft expansion to overlap with the uranium development, citing the problems of cash flow.

But they added that if the bullion price held up, the overlapping was a possibility. Indeed, the high level of the bullion price has made it possible to contemplate even a costly development of this scale. Anglo's most recent major gold mine expansion has been the establishment of the Elandsrand mine, but this cost R117m, less than the proposal for Western Deep.

The proposal indicates a conviction within Anglo that Western Deep has overcome the technical problems which have held back earnings and also a wider belief in the future stability of the bullion price.

This belief is generally held in the industry and is in turn reflected in an analysis of the gold market contained in the 1978 year-end review of the Chamber of Mines which is published today.

The review concludes that this year the industrial market for gold will continue to consolidate, providing a base support for the gold market. At the same time, the analysis concludes that "money-related demand" for gold should continue to expand as investors seek protection against further cracks in the regime of floating exchange rates, inflation and major political upheavals.

The chamber states that the major issue clouding the market is the size of the U.S. Treasury gold auctions, currently running at 1.5m ozs a month. "A continuation of gold auctions at this level will inevitably lead to a period of consolidation while the market digests this structural shift in gold supply," the Chamber warns.

Hudbay pays again

WHILE metal market followers view the upturn in base-metal prices, notably of copper, with some caution, the metal producers are only too grateful after the long period of depression. Taking an optimistic view, the **Anglo American Corporation** group's Canadian **Hudson Bay Mining and Smelting** has returned to the dividend list.

Following the last quarterly payment of 20 cents in September, 1977, Hudbay is declaring a payment for the fourth quarter of 1978 of 10 cents to shareholders of record on February 15 next "in light of improved metal prices and the current outlook."

The primarily copper and zinc producer made a profit of C$3.68m in the first nine months of last year compared with C$5.01m, before extraordinary items, in the same period of 1977. Clearly, earnings will have taken a stride forward in the fourth quarter of 1978.

In London yesterday, the price of spot copper moved up £39 further to £904½ per tonne, its highest since March, 1977. Zinc, which is still a much less buoyant market, rose £6¼ to £365¾.

RICHARDS BAY LEASING DEAL

The South African **General Mining - Union Corporation** group's **Richards Bay Iron and Titanium** has completed arrangements with Barclays Leasing, a divisions of **Barclays National Bank** whereby RBIT has sold to Barclays plant and equipment located at its smelter complex, near Richards Bay, Natal, and has arranged to lease such plant and equipment from the bank for a minimum period of 10 years.

The amount involved in the sale is R120m (£69m) and will be used mainly to retire certain existing loans on due date over the next four years. This form of refinancing will effectively extend the period of redemption of its financial commitments at a more favourable interest cost than can be obtained in the overseas or local loan markets.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100) retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1977							
3rd qtr.	106.2	102.1	96	104.3	234.2	1,413	151
4th qtr.	105.3	102.0	100	104.4	239.4	1,431	157
1978							
1st qtr.	107.1	102.4	99	106.3	246.0	1,409	188
2nd qtr.	111.1	105.0	97	108.0	254.5	1,367	213
3rd qtr.	111.6	105.3	103	110.8	267.5	1,380	213
August	112.1	105.9	101	111.8	270.3	1,382	209
Sept.	111.0	104.7	109	109.5	266.6	1,378	219
Oct.	109.2	102.9	103	109.6	267.2	1,360	228
Nov.	110.1	103.4		109.9	269.1	1,339	231
Dec.				113.0		1,321	211
1979							
Jan.						1,339	236

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
3rd qtr.	104.3	98.7	110.5	99.9	107.5	101.3	25.4
4th qtr.	104.9	97.5	114.4	98.7	95.2	100.2	20.7
1978							
1st qtr.	105.3	99.8	116.2	100.8	95.4	97.2	17.8
2nd qtr.	107.9	99.2	122.9	100.7	108.2	99.4	27.1
3rd qtr.	107.1	100.5	122.4	101.6	102.3	100.6	22.8
June	109.0	100.0	124.0	101.0	112.0	100.0	30.9
July	106.0	101.0	124.0	101.0	113.0	104.0	23.6
August	109.0	101.0	123.0	103.0	93.0	104.0	20.3
Sept.	107.0	100.0	122.0	100.0	101.0	101.0	24.5
Oct.	106.0	98.0	122.0	98.0	101.0	99.0	24.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
3rd qtr.	124.4	106.6	+ 31	+575	−602	101.0	12.4
4th qtr.	117.6	102.7	− 5	+591	−657	102.4	20.39
1978							
1st qtr.	119.5	114.1	−642	−413	−642	104.8	20.63
2nd qtr.	122.0	110.3	−182	+126	−398	104.6	16.75
3rd qtr.	125.3	116.1	−342	− 26	−515	105.3	16.55
August	124.4	111.3	+ 46	+152	− 98	105.7	16.4
Sept.	125.1	120.8	−236	−131	−196	105.5	16.61
Oct.	127.4	111.9	+ 97	+217	−131	105.3	15.97
Nov.	124.5	120.3	−192	− 72	−167	106.6	15.67
Dec.							15.69

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow: HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	23.2	12.6	8.7	+698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,260	6½
2nd qtr.	8.5	15.7	24.6	+2,858	694	1,393	10
3rd qtr.	16.8	5.3	8.6	+525	746	1,427	10
4th qtr.	4.8	9.4	8.8	+1,303	878		12½
Sept.	16.8	5.3	8.6	+713	346	476	10
Oct.	13.8	5.5	1.8	+535	363	469	10
Nov.	12.3	10.6	9.8	+106	261	505	12½
Dec.							12½
1979							
Jan.							12½

INFLATION—Indices of earnings (Jan. 1976 = 100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
3rd qtr.	116.1	146.4	142.9	184.7	192.1	239.9	61.8
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
August	131.7	144.2	154.8	199.4	206.2	248.54	62.4
Sept.	134.2	144.8	155.7	200.2	206.3	253.74	62.7
Oct.	135.1	145.7	156.6	201.1	205.6	265.22	62.5
Nov.		147.3	157.1	202.5	207.9	261.63	63.7
Dec.		148.0	158.3			257.69	64.0

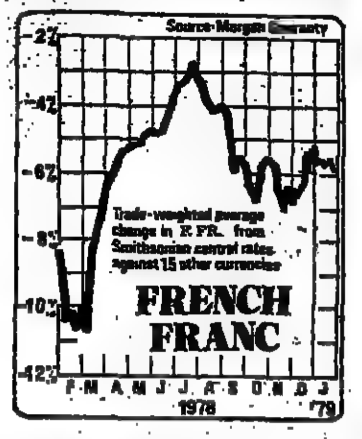
* Not seasonally adjusted.

CURRENCIES, MONEY and GOLD

Dollar improves: pound steady

The dollar improved against most currencies in yesterday's foreign exchange market on reports that restrictions on the use of oil may have to be introduced in the light of the Iranian crisis. A very slight improvement by the U.S. unit in the morning continued during the afternoon and from a low of DM 1.8600 against the D-mark, the dollar touched DM 1.8755, before closing at DM 1.8720 compared with DM 1.8630 on Tuesday. The Swiss franc was also weaker at SwFr 1.7010 against SwFr 1.6880 *previously*, while the Japanese yen slipped to Y202.30 from Y200.65.

On Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation narrowed to 7.8 per cent



from 8.3 per cent. On Bank of England figures its index rose from 84.4 to 84.8.

Sterling opened at $1.9960-1.9970 and touched a best level of $1.9975 during the morning, before easing back to $1.9950 at noon. The dollar's firmer trend during the afternoon pushed the pound down to $1.9885 and by the close, it had showed only a slight recovery to $1.9895-1.9905, a loss of 60 points from Tuesday's close. Against other major currencies sterling showed a much steadier performance, and this was reflected in its trade weighted index, which remained at 63.5, having stood at 63.5 at noon and 63.6 in early dealings.

FRANKFURT—There was no intervention by the Bundesbank at yesterday's fixing when the dollar improved to DM 1.8618 from DM 1.8583 on Tuesday. During the morning the U.S. unit had been firmer and was quoted at DM 1.8660, but eased towards midday on profit-taking. However, it showed signs of further improvement in early afternoon trading and reached DM 1.8625 in generally quiet conditions.

NEW YORK—The possibility of compulsory measures on the use of oil in the light of the Iranian crisis, pushed the dollar firmer in early trading, although dealers pointed out that in the absence of any concrete *measures, the effect may soon* dissipate. The D-mark was quoted at DM 1.8635 against DM 1.8618 earlier in London, but weaker than Tuesday's late level of DM 1.8642. Sterling eased to $1.9945 from $1.9970 and the Swiss franc was also weaker at SwFr 1.6915 compared with SwFr 1.6910.

MILAN—The continuing uncertainty over the future of the Italian Government failed to have any real adverse effect on the Italian lira, and although it showed a weaker tendency against the dollar, it improved slightly against major European currencies. The U.S. unit was quoted at L840.95, up from the previous fixing of L840.55 while the D-mark declined to L451.56 from *L452.28*. Trading was described as rather dull with only $10.3m traded at the fixing, $6m of which was sold by the Bank of Italy.

AMSTERDAM—The dollar was fixed at Fl 2.0095 yesterday *compared* with Fl 2.0065 *on* Tuesday. In later trading the U.S. unit improved further to Fl 2.0140.

TOKYO—The dollar continued to improve yesterday against the yen, after better than expected U.S. trade figures for December. It closed at Y201.425, up from Y200.325 previously. Yesterday's closing level was the highest since July last year and was probably attained with demand for the U.S. unit increasing at *the month end. The outlook for* the rest of this still remains buoyant with the dollar at least maintaining its current level. There did not appear to be any intervention by the Bank of Japan after its support on *Monday to the yen*. The dollar opened at Y201.20 and closed at the day's best level.

THE POUND SPOT / FORWARD AGAINST £

Jan. 31	Bank rate %	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S. $	9½	1.9880-1.9975	1.9895-1.9905	0.50-0.40c pm	2.70	1.55-1.45c pm	3.01
Canadian $	11¼	2.3805-2.3850	2.3830-2.3840	0.50-0.40c pm	2.30	1.50-1.40c pm	2.43
Guilder	6½	4.00-4.05½	4.02¼-4.03¼	2-1c pm	4.47	8½-5½ c pm	5.71
Belgian F	6	58.40-58.70	58.55-58.65	25-15 c pm	4.10	75-65 c pm	4.77
Danish K	8	10.27-10.31	10.28½-10.29½	2½-½ore pm	1.75	3½-1½ore pm	0.87
D mark	3	3.70½-3.75½	3.72½-3.73½	3¼-2¼ pf pm	8.85	9-8 pf pm	9.12
Port. Esc.	18	93.70-94.50	93.90-94.10	45-115 c dis	—10.21	80-280 c dis	—6.80
Span. Pes.	8	138.95-139.50	139.35-139.45	par-50 c dis	—2.15	80-160 c dis	—3.16
Lira	10½	1,675-1,681	1,675½-1,677½	1lire pm-1½ lire dis	—1.19	3½-1½ lire pm	—0.55
Nrwgn. K.	7	10.19½-10.24	10.22½-10.23½	6½-3½ ore pm	5.28	17-15 ore pm	6.25
French Fr.	9½	8.51-8.55	8.53½-8.54½	3¾-2¾ c pm	4.57	11½-10½ c pm	5.04
Swedish Kr	6½	8.71½-8.75½	8.74½-8.75½	3-2 ore pm	2.40	10½-8½ ore pm	4.34
Yen	3½	398-408	402-404	3.70-3.40y pm	10.57	10.50-10.10 y pm	10.22
Austria Sch	3¾	27.15-27.30	27.25-27.30	20-10 gro pm	6.60	58-48 gro pm	6.51
Swiss Fr.	1	3.36-3.38½	3.36-3.38	3¾-2¾ c pm	11.52	11½-10½ c pm	12.85

Belgium rate is for convertible francs. Financial franc 59.35-59.45.

Six-month forward dollar 2.75-2.65c pm, 12-month 4.80-4.70c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	1.9885-1.9975	1.9895-1.9905	0.50-0.40c pm	2.71	1.55-1.45c pm	3.16
Ireland	1.9985-1.9975	1.9895-1.9805	0.50-0.40c pm	2.71	1.55-1.45c pm	3.16
Canada†	83.49-83.79	83.49-83.62	0.06-0.04c dis	—0.77	0.15-0.12c dis	—0.65
Nethlnd	2.0085-2.0160	2.0140-2.0160	0.48-0.43c pm	2.72	1.48-1.43c pm	2.93
Belgium	29.29-29.45	29.42-29.45	4½-3½c pm	2.00	14-12½c pm	1.80
Denmark	5.1460-5.1600	5.1550-5.1575	0.25-0.75c dis	—1.25	2.50-3.00c dis	—1.96
W. Ger	1.8608-1.8720	1.8700-1.8720	1.00-0.90pf pm	6.38	2.92-2.82pf pm	6.13
Portugal	47.10-47.35	47.25-47.35	27-37c dis	—8.12	50-115c dis	—6.98
Spain	69.94-70.03	69.96-70.01	22-32c dis	—4.86	83-93c dis	—5.09
Italy	840.50-842.60	840.50-841.00	1.60-2.10lire dis	—2.98	4.25-5.00lire dis	—2.34
Norway	5.1105-5.1180	5.1105-5.1115	1.50-1.10ore pm	3.52	3.80-3.50ore pm	3.56
France	4.2740-4.3000	4.2900-4.3000	1.02-0.82c pm	2.70	2.65-2.45c pm	2.13
Sweden	4.3715-4.3800	4.3717 4.3727	0.50-0.30ore pm	1.10	2.25-2.05ore pm	1.97
Japan	200.80-202.40	202.20-202.40	1.40-1.30y pm	5.57	3.80-3.65y pm	7.40
Austria	13.62-13.66	13.63-13.64	6.50-5.75gro pm	5.65	18.00-16.00gro pm	4.93
Switz	1.6883-1.6990	1.6970-1.6990	1.37-1.33c pm	9.58	4.23-4.13c pm	10.01

† U.S. cents per Canadian $.

CURRENCY RATES

January 30	Special Drawing Rights	European Unit of Account
Sterling	0.644564	0.676581
U.S. dollar	1.28700	1.35126
Canadian dollar	1.53500	1.61023
Austrian schilling	17.5193	18.3866
Belgian franc	37.6737	39.5312
Danish krone	6.63265	6.94888
Deutsche Mark	2.39163	2.51132
Guilder	2.58237	2.70996
French franc	5.49613	5.76852
Lira	1081.72	1135.74
Yen	257.400	270.345
Norwegian krone	6.58301	6.89478
Peseta	89.9484	94.3466
Swedish krona	5.63642	5.90217
Swiss franc	2.17053	2.27848

CURRENCY MOVEMENTS

January 31	Bank of England Index	Morgan Guaranty changes %
Sterling	63.52	—40.6
U.S. dollar	84.78	— 7.8
Canadian dollar	78.63	—18.1
Austrian schilling	146.99	+20.5
Belgian franc	114.88	+15.7
Danish krone	119.20	+ 7.9
Deutsche Mark	149.71	+41.4
Swiss franc	192.78	+80.6
Guilder	124.78	+21.0
French franc	98.81	— 5.9
Lira	54.29	—49.2
Yen	143.29	+41.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Jan. 31	£	$		£ Note Rates
Argentina Peso	2,008-2,120	1009-1065	Austria	26¼-27½
Australia Dollar	1.7570-1.7620	0.8818-0.8830	Belgium	59-60
Brazil Cruzeiro	42.83-43.83	21.52-22.02	Denmark	10.22-10.32
Finland Markka	7.89-7.93	3.9615-3.9835	France	8.47-8.57
Greek Drachma	71.624-73.580	36.10-36.95	Germany	3.64-3.74
Hong Kong Dollar	9.47¼-9.49	4.7600-4.7690	Italy	1,650-1,700
Iran Rial	152.20-162.90	76¼-81½	Japan	397-407
Kuwait Dinar (KD)	0.545-0.555	0.2745-0.2747	Netherlands	3.95-4.05
Luxembourg Frc.	58.55-58.65	29.43-29.45	Norway	10.15-10.25
Malaysia Dollar	4.3910-4.4060	2.2070-2.2090	Portugal	90-99
New Zealand Dlr.	1.8855-1.8915	0.9460-0.9480	Spain	141-146
Saudi Arab. Riyal	6.65-6.73	3.3490-3.3510	Switzerland	3.30-3.40
Singapore Dollar	4.3105-4.3250	2.1656-2.1666	United States	1.9940-2.0040
Sth. African Rand	1.7238-1.7460	0.8662-0.8784	Yugoslavia	40-46

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Jan. 31	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.990	3.728	403.0	8.540	3.385	4.033	1677.	2.384	58.60
U.S. Dollar	0.503	1.	1.873	202.5	4.291	1.701	2.024	842.5	1.198	29.45
Deutsche mark	0.268	0.534	1.	108.1	2.291	0.908	1.080	449.8	0.639	15.72
Japanese Yen 1,000	2.481	4.938	9.248	1000.	21.19	8.400	9.994	4160.	5.914	145.4
French Franc 10	1.171	2.330	4.365	471.9	10.	3.964	4.716	1965.	2.791	68.62
Swiss Franc	0.295	0.588	1.101	119.1	2.523	1.	1.190	495.3	0.704	17.31
Dutch Guilder	0.248	0.494	0.926	100.1	2.120	0.840	1.	416.3	0.592	14.55
Italian Lira 1,000	0.596	1.187	2.223	240.4	5.094	2.019	2.403	1000.	1.422	34.95
Canadian Dollar	0.420	0.835	1.564	169.1	3.583	1.420	1.690	703.4	1.	24.59
Belgian Franc 100	1.706	3.396	6.361	687.7	14.57	5.776	6.873	2861.	4.067	100.

EURO-CURRENCY INTEREST RATES

Jan. 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12¼-12½	10-10¼	8½-9¼	7¼-7½	par-½	3½-3¾	6¼-6½	9½-11½	—	—½ 1⅛
7 day's notice	12¼-12½	10-10¼	8¾-9¾	7¼-7½	par-½	3⅛-3⅜	6⅝-6⅞	14-15	11½-11⅝	1¼-2⅛
Month	12⅝-12¾	10⅛-10⅜	10⅛-10⅜	7¼-7½	⅛-⅜	3½-3⅝	7⅛-7⅜	12⅞-13⅞	10¼-10⅜	1⅛-2⅛
Three months	13¼-13⅜	10⅜-10⅝	10⅞-11⅛	7¼-7½	¼-½	3⅛-3⅜	7⅞-8⅛	12⅝-13⅛	10⅜-10⅝	2⅜-3⅛
Six months	13¼-13⅜	10⅝-10⅞	10⅞-11⅛	7¼-7½	⅜-⅝	4⅛-4¼	8⅛-8⅜	12¾-13¼	10⅞-11	3⅛-3½
One year	[illegible]	10⅝-10⅞	10⅞-11⅛	7¼-7½	½-⅝	4⅛-4⅜	9⅛-9⅜	13-14	10⅞-11	3⅞-4

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.20-10.30 per cent; three months 10.35-10.45 per cent; six months 10.70-10.80 per cent; one year 10.70-10.80 per cent.

Long-term Eurodollar deposits: two years 10⅝-10⅞ per cent; three years 10⅝-10⅞ per cent; four years 10⅝-10⅞ per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Changes in U.S. and Belgium

Interest rates continued to decline in one or two of the world's major financial centres yesterday. Chase Manhattan, the third largest U.S. bank cut its prime rate to 11½ per cent from 11¾ per cent late Tuesday, leading to speculation that others will follow the move, the first fall since prime rates began to climb from around 6¼ per cent about two years ago. *Signs of easier U.S.* interest rates have been evident over the last few weeks, with several banks, including Chase Manhattan, lowering their broker loan rate earlier this week. Three-month dollar certificates of deposit, which stood at 11½ per cent at the beginning of January ended the month at 10.40 per cent at the beginning of over the dollar, and money supply growth eased.

At the same time banks were quick to point out that this was unlikely to herald a period to continuing prime rate falls, and that a further upward trend may follow. There was no sign that the Federal Reserve intends to reduce its target rate for Federal Funds in the near future from the present level of 10-10⅛ per cent.

Interest rate reductions were also signalled in Brussels, with the Belgian National Bank cutting its Lombard rate, and the discount rate on "B" quota loans for the second time in two weeks. Both rates fell by ½ per cent to 7½ per cent, following a similar reduction on January 18. As before the discoun t rate on "A" quota loans remains at 6 per cent. Under central bank regulations "B" quota loans are made at a penal rate once a commercial bank has used up its "A" quota facility.

FRANKFURT — Bundesbank measures to reduce bank liquidity announced on January 18, come into effect today, but call money remained very easy in interbank trading yesterday, at 0.25-0.50 per cent, compared with 0.25-1.0 per cent on Tuesday. Other rates were slightly firmer however, with one-month at 3.9-4.0 per cent, compared with 3.8-4.0 per cent; three-month at 4.15-4.20 per cent, compared with 4.1-4.2 per cent; six-month at 4.25-4.30 per cent, against 4.2-4.3 per cent; and 12-month at 4.55-4.65 per cent, against 4.4-4.6 per cent.

GOLD

Firmer tendency

Gold improved in the London bullion market yesterday and closed at $232-232¾, a rise of $1 an ounce. The metal opened at $233½-234½ and was fixed during the morning at $233.05 and $233.70 during the afternoon. Movements in the price of gold was mainly affected by the steep rise in silver prices, which represented a converse of the normal pattern, whereby the price of silver mainly reflected the performance of gold.

In Frankfurt the 12½ kilo bar was fixed at DM 13,975 per kilo ($233.47 *per ounce*) against DM 14,005 ($233.96) previously.

	January 31	January 30
Gold Bullion (fine ounce)		
Close	$232-232¾	$231-231¾
Opening	$233½-234¼	$232½-234¼
Morning fixing	$233.05 (£116.747)	$233.65 (£116.954)
Afternoon fixing	$233.70 (£117.190)	$233.50 (£116.986)
Gold Coins, domestically		
Krugerrand	$256¼-258¼ (£128½-129½)	$255¼-257¼ (£128-129)
New Sovereigns	$66¾-68¾ (£33½-34½)	$66¼-68¼ (£33¼-34¼)
Old Sovereigns	$68¾-70¾ (£34½-35½)	$68-70 (£34-35)
Gold Coins, internationally		
Krugerrand	$240-242 (£120¼-121¼)	$238½-240½ (£119¾-120¾)
New Sovereigns	$60¾-62¾ (30½-31½)	$60¼-62¼ (£30¼-31¼)
Old Sovereigns	$68¾-70¾ (£34½-35½)	$68-70 (£34-35)
$20 Eagles	$304½-306½	$303-308
$10 Eagles	$165-170	$165-170
$5 Eagles	$112-117	$108-113

UK MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave a moderate amount of assistance by buying a small amount of Treasury bills from the discount houses, and a small number of local authority bills. The Bank of England also lent a small amount to one or two houses, overnight at Bank of England Minimum Lending rate.

Banks brought forward small surplus balances, there was a small cut in the note circulation, Government disbursements exceeded revenue payments to the Exchequer, and the market was *also helped* by a very small number of net maturing Treasury bills.

On the other hand the market was faced with the unwinding of a small purchase and resale agreement on eligible bank bills, and settlement of oil payments.

Discount houses paid around 11 per cent for secured call loans in the early part, with closing balances taken at 12-12½ per cent.

In the interbank market overnight loans opened at 12-12½ per cent and rose to a high point of 14-15 per cent in the afternoon, before closing at 11½ per cent.

LONDON MONEY RATES

Jan. 31 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	11½-15	—	—	—	12¾	11-12½	—	—	—
2 days notice	—	—	12½-12½	—	—	12⅞	—	—	—	—
7 days or	—	—	—	—	12¾	—	11-11¼	—	—	—
7 days notice	—	12⅝-12⅞	12½-12⅝	13½-13⅜	13	13	11¾-11⅞	11¾-11⅞	12⅛-12¼	13½
One month	12½-12¼	12⅞-12⅞	12½-12⅝	13½-13½	13¼	—	12-12½	12⅛	12⅞-12⅞	13¼
Two months	12⅞-12¾	12⅞-13⅛	—	13½-13½	13⅜	13⅛-13⅜	12¼-12⅜	12⅞-12⅞	12¼	13⅜
Three months	13⅛-13⅛	13¼-13⅜	13-13⅜	13½-13½	13⅜	—	—	—	12⅞-12⅞	13¼
Six months	13¼-13⅛	13¼-13⅜	13-13¼	12½-13¼	13⅜	—	—	—	—	—
Nine months	13⅛-13½	13-13½	—	13½-13⅝	13½	—	—	—	—	—
One year	12⅞-12¾	12⅞-13	12¼-13½	12⅞-13½	13¼	—	—	—	—	—
Two years	—	—	13-13¼	—	—					

Local authority and finance houses seven days' notice, others seven days' fixed. "Long-term local authority mortgage rates nominally three years 13-13½ per cent; four years 13⅛-⅜ per cent; five years 13⅝-13⅞ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅞-12¼ per cent; four-month trade bills 13½ per cent.

Approximate selling rates for one-month Treasury bills 11⅞-11⅞ per cent; two-month 11⅞ per cent; three months 12-12⅞ per cent. Approximate selling rate for one-month bank bills 12⅛-12⅞ per cent; two-month 12⅞-12⅞ per cent, and three-month 12½ per cent; one-month trade bills 1 per cent; two-month 13¼ per cent; and also three-month 13½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 12½ per cent from February 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 12.0363 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.5-11.75
Fed. Funds	10.0625
Treasury Bills (13-week)	9.25
Treasury Bills (26-week)	9.32
GERMANY	
Discount Rate	3
Overnight Rate	0.0375
One month	3.95
Three months	4.175
Six months	4.275
FRANCE	
Discount Rate	9.5
Overnight Rate	6.375
One month	6.5625
Three months	6.6875
Six months	6.75
JAPAN	
Discount Rate	3.5
Call (Unconditional)	4.375
Bills Discount Rate	4.625

LEGAL NOTICES

No. 004067 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of C. T. S. (NEW MALDEN) LIMITED and in the Matter of THE COMPANIES ACT 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the *above-named Company by the High* Court of Justice was on the 28th day of December 1978, presented to the said Court by CHINEGREEN INVESTMENTS LIMITED whose registered office is situate at 8 St. Bride Street, London EC4, who carry on business as Petrol Service Station Operators, by its Receiver and Manager, Peter William Grosteta DuBuisson of the same address, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 19th day of February 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

FRESHFIELDS,
Grindall House,
25 Newgate Street,
London EC1A 7LH.
Ref: JMHH/GCB. Tel: 01-606 6677
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of February 1979.

No. 004068 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of RAYNES PARK SERVICE STATION LIMITED and in the Matter of THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of December 1978, presented to the said Court by CHINEGREEN INVESTMENTS LIMITED whose registered office is situate at 8 St. Bride Street, London EC4, who carry on business as Petrol Service Station Operators, by its Receiver and Manager, Peter William Grosteta DuBuisson of the same address, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 19th day of February 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

FRESHFIELDS,
Grindall House,
25 Newgate Street,
London, EC1A 7LH.
Ref: JMHH/GCB.
Tel: 01-606 6677.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, *the above-named notice in writing of his* intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-*named not later than four o'clock in the* afternoon of the 16th day of February 1979.

No. 00148 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WAYAS (OVERSEAS) LIMITED and in the Matter of THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 17th day of January 1979, presented to the said Court by BARCLAYS HOTELS LIMITED whose registered office is situate at 2 Hyde Park Place, London, W.2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, *London, WC2A 2LL on the 19th day of* February 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the under*signed to any creditor or contributory* of the said Company requiring such copy on payment of the regulated charge for the same.

MARTIN SHEPHERD & CO.,
302 Hoe Street,
Walthamstow,
London, E17 9QD.
Ref: SLT. Tel: 01-521 6241.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and *address* of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of February 1979.

No. 00164 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of COURT HOTELIERS LIMITED and in THE MATTER OF THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 17th day of January 1979, presented to the said Court by EASTBOURNE BOROUGH COUNCIL, Town Hall, Grove Road, Eastbourne, Sussex, BN21 4UG, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 19th day of February 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an *Order on the said Petition may appear* at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SHARPE PRITCHARD & CO.,
109, Kingsway,
London, WC2B 6PZ.
Ref: 14RR.
Agents for:
A. J. SMITH,
of Town Hall,
Grove Road,
Eastbourne.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of February 1979.

No. 00191 of 1979

In the HIGH COURT OF JUSTICE *Chancery Division Companies Court.* In the Matter of JARRETT DEVELOPMENTS LIMITED and in the Matter of THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 19th day of January 1979, presented to the said *Court by CLARK QUINNEY & COMPANY* (a firm) whose principal place of business is at 89/96 Fore Street, Hertford in the County of Hertford, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 19th day of February 1979, and any creditor or *contributory of the said Company* desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MARTIN SHEPHERD & CO.,
St. Andrew House,
46/48 St. Andrew Street,
Hertford, Herts. SG14 1JT.
Ref: MAS. Tel: 32-59922.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of February 1979.

IN THE MATTER OF
C.E.W. (SUTTON) LIMITED
(In Voluntary Liquidation)
AND IN THE MATTER OF
THE COMPANIES ACTS, 1948 TO 1976

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act, 1948, that a General Meeting of the Members of the above-named Company will be held at the Offices of W. H. Cork, Gully & Co., Chartered Accountants of Guildhall House, 81/87, Gresham Street, London, EC2V 7DS on Thursday, the 8th day of February 1979 at 11.45 a.m. to be followed at 12 noon by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidator's Acts and Dealings and of the conduct of the Winding-Up to date.

Dated this 17th day of January, 1979.
N. B. CORK, Liquidator.

No. 003855 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Group A. In the Matter of STYLO BARRATT SHOES LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN, that the Order of the High Court of Justice (Chancery Division) Group A dated 22nd January, 1979, confirming the reduction of the capital of the above-named Company from £2,000,000 to £1,855,518 and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 25th January, 1979.

DATED this 25th day of January, 1979.

BOOTH & Co.,
Phoenix House,
South Parade,
Leeds LS1 1HQ.
Solicitors for the above-named Company.

COMPANY NOTICES

U.S. DOLLARS 25,000,000
Arab International Bank
Floating Rate Notes 1983

For the six months from 1st February to 1st August 1979. The note will carry an interest rate of 11⅛% per annum. The interest payable on the relevant interest payment date, 1st August 1979, against Coupon No. 2 will be US Dollars 57.51 per US Dollars 1,000 notes.

Fiscal Agent,
UNION DES BANQUES ARABES ET FRANCAISES
U.B.A.F.
4, rue Ancelle,
92521—Neuilly—Sur Seine
Cedex France.

JUGOBANKA
FLOATING RATE NOTES DUE 1983

In accordance with the provisions of the Notes notice is hereby given that for the six month interest period February 1st, 1979 to August 1st, 1979 the Notes will carry an interest rate of 12⅛ per cent per annum. The interest payable on the relevant interest payment date, August 1st, 1979 against Coupon no 4 will be as follows:

Notes in denominations of US$100,000 $6,096.18
Notes in denominations of US$10,000 $609.62
Notes in denominations of US$1,000 $60.96

By The Chase Manhattan Bank, NA, London
As Fiscal Agent and Agent Bank

February, 1979

FF.125,000,000 CAISSE NATIONALE DES TELECOMMUNICATIONS 7¼% LOAN 1972-1984

Redemptions due on 1st March 1979 for which FF.5,000,000 is provided has been made entirely by purchases in the market. After 1st March 1979 *FF.105,000,000 of the loan will remain* in issue.

Financial Agent
BANQUE DE PARIS ET DES PAYS-BAS POUR LE GRAND-DUCHE DE LUXEMBOURG

March 1979

GAZ de FRANCE
National Service Public Corporation of the French State
(Law on nationalisation of Electricity and Gas of April 8th, 1946)
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9% BONDS 1970-1985 of $1,000
NUMERICAL LIST

(1) of the series including, with the previous repurchases, the 1,330 bonds drawn by lot on January 25th, 1979 (ninth drawing) making up the totality of the nominal amount $1,330,000 to be redeemed on March 15th, 1979:
4,548 to 5,903

(2) of the series previously drawn by lot among which are bonds not yet presented for the repayment:
Drawing of January 23rd, 1973—Reimbursement March 15th, 1973:
11,612 to 12,941
Drawing of January 23rd, 1974—Reimbursement March 15th, 1974:
2,717 to 4,046
Drawing of January 27th, 1976—Reimbursement March 15th, 1976:
1 to 689
Drawing of January 26th, 1977—Reimbursement March 15th, 1977:
9,406 to 10,765
Drawing of January 25th, 1978—Reimbursement March 15th, 1978:
690 to 2,035

These bonds will be redeemed at $1,000 at the office of the CHASE MANHATTAN BANK in NEW YORK and the offices of the following banks:
—Banque Nationale de Paris, Paris.
—Societe Generale, Paris.
—Credit Commercial de France, Paris.
—Deutsche Bank AG, Francfort-sur-le-Main.
—Banque Bruxelles Lambert, Bruxelles.
—Societe Generale de Banque SA, Bruxelles.
—Banca Nazionale del Lavoro, Rome.
—Credit Lyonnais, Agence de Luxembourg, Luxembourg.
—Societe Generale Alsacienne de Banque Luxembourg.
—Amsterdam Rotterdam Bank NV, Amsterdam.
—Credit Lyonnais, Paris.
—Banque de Paris et des Pays-Bas, Paris.
—Commerzbank AG, Dusseldorf.
—Dresdner Bank AG, Francfort-sur-le-Main.
—Kredietbank NV, Bruxelles.
—Banca Commerciale Italiana, Milan.
—Kredietbank SA Luxembourgeoise, Luxembourg.
—Banque Generale du Luxembourg S.A., Luxembourg.
—Algemene Bank Nederland NV, Amsterdam.
—Barclays Bank Ltd., Londres.
Outstanding amount: $8,030,000.

How does Helmut Schmidt see prospects for the 1980's?

West Germany's Chancellor, Helmut Schmidt will give the key address at the Financial Times Conference on 'Finance and Trade in the 1980's' to be held on February 14 and 15 at the Hotel Frankfurter Hof, in Frankfurt.

As leader of one of Europe's economically most powerful nations – and co-architect of the European Monetary System – Herr Schmidt's views on world trade and finance are important pointers to the future for any forward-looking company.

Other speakers at this important gathering will include M. Francois-Xavier Ortoli, Vice President of the Commission of the European Communities; the Rt. Hon. Gordon Richardson, Governor of the Bank of England; Dr. Otmar Emminger, President of the Deutsche Bundesbank; Robert Solomon, Senior Fellow, The Brookings Institution of Washington DC; Dr. Irving Friedman, Senior Vice President, Citibank.

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A FINANCIAL TIMES CONFERENCE

National Bus—strength in a declining market

BY IAN HARGREAVES

NO-ONE, it may be safely predicted, will turn a hair when the National Bus Company publishes its 1978 results later this year. For the third successive year, the company's net surplus will show a healthy increase, comfortably in excess of last year's £9.6m.

Indeed, as it celebrates its tenth birthday, National Bus, whose 30 subsidiaries account for 40 per cent of the UK public transport fleet, has some claim to be regarded as one of the country's most successful public sector activities. It has shown financial strength in a declining market and has cut its resources of both staff and vehicles—the former by 19 per cent in eight years to 65,000—to meet the decline.

Similar business trends can also be noted in other sectors of the bus industry. In aggregate, the bus operations of English and Welsh municipal operators and the passenger transport executives of the metropolitan counties reduced their operations deficit from £22.2m in 1975-76 to £10.8m in 1976-77, according to research done by the Central London Polytechnic. Likewise London Transport, much the largest of the bus companies outside NBC, has reduced its dependence upon Greater London Council subventions from £87m in 1976 to £56m in 1978 although this strict financial regime is bringing increased pressure to thin out services.

In total, the bus industry costs local and central government £226m last year in subsidies and capital grants and another £111m in support of concessionary fares schemes. This compares very favourably with the £549m needed to keep British Rail and the London underground going in 1976-77. National Bus, which runs half of Britain's stage carriage services and 90 per cent of its rural services, has a gross turnover approximately equal to the annual grants given to British Rail, with which it competes on many long distance routes.

It is perhaps surprising then to find the Government's Transport and Road Research Laboratory speaking of bus subsidies rising to between £500m and £800m a year (at 1975 prices) by 1985 if bus services remain at present levels, or of buses losing half their passengers if they meet the next six years with fare increases adequate to keep their books in balance.

Others, such as the Transport and General Workers Union, which represents bus drivers, go further and say that the bus industry has been driven and is still being driven further into a crisis which good housekeeping has disguised. This crisis, they argue, is one of rapidly deteriorating public transport.

A bus of the Midland Red subsidiary of NBC picking up passengers in Worcester.

Certainly buses and coaches are vital for public transport. They account for 12 per cent of passenger transport mileage, compared with 8 per cent for railways (the other 80 per cent is private transport). The importance of the bus is even greater when measuring market shares according to number of journeys.

Sir Freddie Wood, who retired as chairman of National Bus on January I (he is to be succeeded by Lord Shepherd), believes that this decline was inevitable in the face of growing car ownership. He saw his task as one of maintaining tight financial control from the centre, leaving the highly decentralised subsidiaries to work out the consequences in terms of service cuts.

Mr. Robert Brook, chief executive of National Bus, expects the decline to continue, but at a much more gradual rate than in the last 10 years. He says that only the tough and rather crude cut-backs of the last few years have given NBC the breathing space to introduce more sophisticated, computerised systems of matching service to demand. The increase in the number of passengers per bus mile in service last year shows that the company's planning and marketing strategy is beginning to pay dividends, he says.

The Government, meanwhile, has changed its tune. Before its policy re-think in 1977, the intention was to halve support for buses by the end of the decade. Instead, the Transport White Paper of that year said the existing total of about £150m a year should continue, but that there should be some shift of resources within that figure to provide an extra £15m by 1980 for rural services at the expense of urban buses.

No one pretends that this programme of experimentation will do anything more than plug, rather inadequately, a few gaps for the many villages where conventional bus services are a thing of the past. From the consumer's point of view, the prospect remains one of fewer buses and higher fares. On National Bus, the average fare paid more than doubled between 1974 and 1978.

It is ironic that the likelihood of a continuing worsening of services, following 10 very tough years indeed for the industry, excite so little public attention at a time when it has become politically almost impossible for the Government to even talk about closing railway lines.

There are a number of reasons for this. One is the fragmentation of the bus industry and the fact that NBC remains, centrally, an organisation of only 100 people whose efforts do not run to campaigning on behalf of the industry. Similarly, the TGWU, the busmens' union, is far less politically single-minded when it comes to transport policy than the railway trade unions, whose influence on this and previous Governments has been consequently much greater.

A third factor is undoubtedly the lack of political influence of bus passengers, who are predominantly the wives of manual workers, the young (aged 16 to 21) and the retired, who now account for 20 per cent of the bus companies' business compared with 10 per cent a decade ago.

On top of this, the bus industry is facing two major financial uncertainties. First, the Government is committed to progressively abolishing from 1980 the 50 per cent grants it makes towards the cost of new buses and secondly, the industry will this year begin to feel the full impact of phased reductions in the bus driver's permitted working hours as British law is harmonised with that of the EEC. NBC says that the new regulations will cost it £20m a year and for the whole industry, the figure is put at £40m.

In the past two years the Government has also found it difficult to get county councils to adopt its more generous financial guidelines for bus support. This was the reason for the announcement at the end of last year that counties unwilling to increase their spending on buses in line with Government policy would have their road budgets cut as a punishment. Oxfordshire and Northamptonshire were the worst culprits and the most heavily penalised as a result.

As for the operators themselves, they must share some of the blame for the decline of the industry. In comparison with the railways, their fares structures have been rigid and unimaginative and bus design has not improved in line with other forms of transport or more general expectations. Also, crucially, service reliability in towns and cities has been and is pretty poor, partly because of traffic congestion and the unwillingness of British local authorities to give buses road priority (Paris has more bus-only lanes than the whole of Britain), but partly also because of poor ground-level management of bus crews, patchy maintenance and, in some cases, unreliable products from bus manufacturers.

For Government, the question is how much it values the preservation of what is already in many areas a thin or non-existent network and how it can best feed in whatever resources it deems appropriate.

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INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Strong fourth quarter boosts Philip Morris

BY STEWART FLEMING IN NEW YORK

PHILIP MORRIS, the second largest U.S. cigarette manufacturer and brewer, reinforced its growth stock status yesterday with a 20 per cent increase in fourth-quarter earnings.

The company, which earlier this year completed a $490m diversification into the soft drink business with the acquisition of Seven-Up, raised fourth-quarter net income from $84.2m to $101.6m.

For the full year, the company's earnings are 22 per cent higher at $408.6m or $6.77 a share compared with $334.9m or $5.60 a share. Sales revenues for the year were 27 per cent higher at $6.6bn compared with $5.2bn in 1977.

The company, which has recorded an annual compound rate of earnings growth of just over 17 per cent over the past 16 years has been expanding its share of the cigarette market and has also profited from buoyant conditions in the brewing industry last year. In the past eight years, since it acquired Miller Brewing, it has transformed its performance by aggressive marketing, lifting itself from the seventh largest brewer to the industry's Number Two behind Anheuser-Busch.

Last year, buoyant sales of beer in the U.S. and firmer price trends are thought to have boosted the profitability of Philip Morris's brewing operations.

In spite of the company's success, some analysts express concern about the longer term prospects in the cigarette business because of fears that last year's contraction in the U.S. cigarette market overall could accelerate.

But Philip Morris bucked the market trend last year by boosting its cigarette sales by 5.3 per cent. Its Marlboro brand remained the most popular cigarette in the U.S. and abroad while its low tar, Merit, was the fastest growing of the top ten U.S. brands.

Showing continued faith in the future, the company plans to build a new cigarette manufacturing plant in North Carolina this year and to add new and more advanced equipment to other facilities.

Sharp turnround at U.S. Steel

BY OUR NEW YORK CORRESPONDENT

THE ELIMINATION of heavy losses suffered in the fourth quarter of 1977 has resulted in a startling turnround in profits of U.S. Steel, the largest American producer with around 25 per cent of the market.

The company reported that fourth quarter earnings jumped from $9m to $94.6m or from 11 cents to $1.11

For the full year, U.S. Steel's earnings are also sharply higher at $242m or $2.85 a share, compared with $137.9m or $1.66

Throughout the second half of 1978, steel earnings have been improving as recent results from all the major steel manufacturers have demonstrated.

Even so, U.S. Steel said that its non-steel businesses, which include chemical, transportation and utility subsidiaries, contributed 86 per cent of pre-tax operating income and only 27 per cent of total sales revenues.

The implication of this is, as the company said, that steel earnings are "still depressed."

Bethlehem Steel profits surge

BY JOHN WYLES IN NEW YORK

GOOD PROSPECTS for continuing recovery in the U.S. steel industry were held out yesterday by the chairman of Bethlehem Steel Corporation when he reported fourth quarter earnings which were nearly four times higher than the year before.

Mr. Lewis Foy, chairman and chief executive, qualified his optimism by stressing the uncertainties about inflation, recession and the level of imports but he expected his company, nevertheless, to have a good year in 1979, "both from a shipment and a profit point of view."

Cost cutting and closure of uneconomic plants have left the industry in reasonably good shape to weather a recession in the view of many analysts. Bethlehem, in particular is held to be in a much stronger position than it was following closures in 1977 which contributed to a net loss for the year of $448.2m. In contrast, last year's net earnings totalled $225.1m or $5.15 per share on sales of $6.18bn versus $5.18bn.

In the fourth quarter, Bethlehem's profits rose from $19.2m or 43 cents per share to $74.5m or $1.70 per share. Sales climbed from $1.35bn to $1.64bn.

Tax rate hits Allied Chemical

By Our Financial Staff

A FALL of 11 per cent in net income for 1978 is ascribed by Allied Chemical Corporation to an increase in its tax rate to 55.1 per cent from 42.9 per cent in the previous year.

Total net of the group, the sixth largest U.S. chemical group, fell from $135.3m to $120.2m, with per share earnings down from $4.82 to $4.25. Sales, at $3.3bn showed a 14 per cent gain.

Allied said its tax rate increased last year because of a higher rate on increased oil and gas production overseas. Gains on operating assets in 1977 were also taxed at the lower capital gains tax rates.

The final quarter of 1978 brought a dip of nearly 25 per cent to $29.6m in net earnings, with the per share figure down from $1.39 to $1.04. But sales put on 12 per cent to $852m against the comparable period.

Allied is cautiously optimistic about 1979 results since construction on coke oven batteries at Ashland and Detro has been completed and stability has returned to the coal mines with the new labour contract.

McGraw-Hill payment

McGraw-Hill has raised the quarterly dividend by 7 cents to 32 cents a share, reports Reuter from New York. Mr. Harold W. McGraw Jr., chairman and president, said the dividend increase reflects the policy of paying out up to 50 per cent of the previous year's earnings.

Dividends raised

Exxon Corporation, the world's largest oil company, has increased its quarterly dividend from 85 cents to 90 cents a share, reports Reuter from New York. Bethlehem Steel also announced an increase in quarterly payment, from 25 cents to 35 cents a share.

FOREIGN CURRENCY TRANSLATIONS

FASB considers rule change

BY DAVID LASCELLES IN NEW YORK

A HIGHLY controversial accounting rule governing the way U.S. companies report the effect of foreign currency fluctuations on their earnings is to be amended.

The Financial Accounting Standards Board, the accounting profession's self-regulating body, yesterday announced it has decided to make changes in this rule, known as FASB 8, but it did not say when or how.

FASB 8, introduced in 1976, is designed to set a uniform standard for the way companies report foreign currency translations and the value of their foreign holdings expressed in U.S. dollars. Previously, the effects of currency changes were usually mentioned in footnotes, which, the FASB said, gave a misleading impression.

But FASB 8 immediately ran into a storm of criticism because of its impact on company accounts. Some concerns reported huge currency gains, others equally large currency losses, and all warned that this should be taken into account when their earnings were analysed.

Furthermore, these gains and losses were only paper ones since no actual transactions had taken place.

Last December, the FASB published a study of FASB 8, which showed that many companies had changed their foreign exchange management practices because of it. Some "refrained from making investments that were otherwise acceptable," it said, and others "accelerated their dividend payments from subsidiaries in weak currency countries to reduce exposure."

The study also showed that 84 per cent of companies contacted said FASB 8 "misleads management, stockholders and security analysts."

But against this, another report in January said that FASB 8 had had no significant effect on the share prices of the large multinational companies.

In yesterday's announcement the FASB said a Board meeting had concluded the rule would be reconsidered and that "a number of proposed changes" would be examined.

INTERNATIONAL CAPITAL MARKETS

Dollar Eurobond issues reach peak level

BY FRANCIS GHILES

FIVE NEW dollar-denominated Eurobonds were announced yesterday which, together with the two new issues last weekend, bring the number and amount of new dollar offerings to its highest level for many months.

The five issues include a $150m offering for Sears Roebuck, a $100m one for the Republic of Finland, a $50m private placing for PepsiCo, a $25m one with warrants for Redland Finance NV and what is believed to be the first Eurobond arranged by Bank America, a $50m offering for General Telephone and Electronics, a major U.S. telephone company.

This spate of new issues follows the decision yesterday by Chase Manhattan Bank to cut its prime rate: this was just the confirmation which the market wanted that a decline in U.S. interest rates—whether temporary or not—was really taking place. Prices in the dollar bond secondary market were up again yesterday in active trading.

Sears Roebuck, the world's largest retailer and based in Chicago, is raising $150m for three years. Terms of the issue, being arranged by Goldman Sachs, include a final coupon of 9 per cent and a price of 99½.

The $100m seven-year bullet issue for the Republic of Finland is being led by Hambros Bank. Final terms include a coupon of 9½ per cent, a price of 99½ and a yield of 9.60 per cent.

PepsiCo Capital Corporation NV, the Antilles-based subsidiary of the second largest producer of soft drinks in the U.S., is arranging a $20m five-year private placing through UBS (Securities). Other final terms include a coupon of 9½ per cent and a price of par.

The fourth bonds, with warrants attached, is for Redland Finance, the subsidiary of the UK construction company. Indicated coupon for this 12-year issue is 9½ per cent and the bonds will have an average life of 10 years.

Final terms on an earlier bond for the EIB $100m bond include a coupon of 9¾ per cent and a price of 99.30. Some 80 per cent of this issue will be placed in Japan as was the case with a similar offering for the EIB last August. Joint lead managers are Nikko Securities—in charge of the placing in Japan—and Credit Suisse First Boston, which is playing the same role in Europe.

Mexico utility to raise $300m

BY ROSEMARY BURR

THE MEXICAN state electricity agency, Comision Federal de Electricidad, is raising $300m in the form of a two tranche loan. One of the tranches carries a 12 years maturity, the longest granted by international banks to a Mexican borrower in the current cycle.

The first $150m tranche will be for 10 years with five years grace and carry a spread over the London interbank rate of ⅞ per cent while the second $150m tranche, for 12 years will have a six-year grace period and carry a spread of 1 per cent.

Six banks will jointly co-lead this fund-raising operation: Bank of Montreal, which is also acting as agent, Citicorp International, Credit Commercial de France, Fuji Bank, Morgan Guaranty Trust and Westdeutsche Landesbank.

RESULTS IN BRIEF

American Can suffers decline in earnings

NEW YORK—American Can experienced a drop in earnings last year to $105.6m or $5.32 per share, from $114m, or $5.76, despite a slight rise in fourth quarter net income from $25.9m to $28.6m.

Sales of the metal container company, which is also involved in consumer paper and plastic products, chemicals, and record and tape distribution, lifted its total sales in 1978 to $3.98bn from $3.44bn, with a level of $1.06bn in the final three months compared with $890m in the same period of the previous year.

Also reporting figures for the fourth quarter was Libby-Owens-Ford, the glass and plastics concern, whose earnings per share advanced from $1.25 to $1.32, while Dover, the third largest elevator company in the U.S. and a maker of oil field equipment, moved up from $1.18 to $1.53.

At Acme-Cleveland, an automatic machine tools company, the per share figure increased from 54 cents to 88 cents. Varian Associates, in the electronics sector, showed little change at 44 cents a share for the quarter against 43 cents.

Armstrong-Cork, which makes building materials, turned in a sharp gain in its earnings per share for the whole of last year, to $2.36 from $1.55.

Electrical equipment manufacturer Square D Company reported earnings of $2.80 a share against $2.47, while the 1978 result from Harvey Hubbell, which also operates in the electrical sector, showed a rise to $3.51 from $3.04. Bandag, a tread rubber company, lifted its figure per share from $1.44 to $1.70.

AMERICAN QUARTERLIES

ABITIBI PAPER	1978	1977
Fourth quarter	$	$
Revenue	338.7m	284.8m
Net profits	24.3m	16.8m
Net per share	1.22	0.83
Year		
Revenue	1.29bn	1.04bn
Net profits	78.7m	37.9m
Net per share	3.98	1.83

AMERICAN BRANDS	1978	1977
Fourth quarter	$	$
Revenue	1.39bn	1.24bn
Net profits	60.27m	33.91m
Net per share	2.26	1.26
Year		
Revenue	5.18bn	4.62bn
Net profits	211.54m	156.36m
Net per share	7.93	5.82

AMERICAN HOSPITAL SUPPLY	1978	1977
Fourth quarter	$	$
Revenue	471.2m	399.4m
Net profits	25.6m	23.3m
Net per share	0.68	0.60
Year		
Revenue	1.74bn	1.49bn
Net profits	92.1m	77.9m
Net per share	2.37	2.01

BAUSCH AND LOMB	1978	1977
Fourth quarter	$	$
Revenue	122.8m	98.9m
Net profits	8.46m	6.89m
Net per share	1.44	1.17
Year		
Revenue	441.7m	377.9m
Net profits	29.85m	25.03m
Net per share	5.08	4.28

CIT FINANCIAL	1978	1977
Fourth quarter	$	$
Revenue	—	—
Net profits	22.1m	23.0m
Net per share	1.54	1.16
Year		
Revenue	—	—
Net profits	86.5m	82.0m
Net per share	4.16	3.94

DART INDUSTRIES	1978	1977
Fourth quarter	$	$
Revenue	508.7m	424.8m
Net profits	32.57m	27.71m
Net per share	1.25	1.06
Year		
Revenue	1.82bn	1.60bn
Net profits	126.33m	108.19m
Net per share	4.84	4.18

DIAMOND INTERNATIONAL	1978	1977
Fourth quarter	$	$
Revenue	356.0m	312.0m
Net profits	21.5m	14.8m
Net per share	1.81	1.27
Year		
Revenue	1.1bn	978.0m
Net profits	53.9m	46.9m
Net per share	4.55	4.02

DOW CORNING	1978	1977
Fourth quarter	$	$
Revenue	130.2m	105.3m
Net profits	14.2m	11.5m
Net per share	—	—
Year		
Revenue	479.0m	408.1m
Net profits	55.3m	42.5m
Net per share	—	—

DUKE POWER	1978	1977
Fourth quarter	$	$
Revenue	353.3m	330.2m
Net profits	60.92m	50.39m
Net per share	0.67	0.60
Year		
Revenue	1.40bn	1.27bn
Net profits	230.60m	192.35m
Net per share	2.61	2.41

POTLACH CORPORATION	1978	1977
Fourth quarter	$	$
Revenue	194.9m	167.7m
Net profits	18.9m	12.7m
Net per share	1.26	0.84
Year		
Revenue	787.0m	685.4m
Net profits	64.1m	61.8m
Net per share	4.24	4.09

PUPOLATOR INC.	1978	1977
Fourth quarter	$	$
Revenue	103.2m	91.6m
Net profits	4.03m	†15.58m
Net per share	0.88	†1.21
Year		
Revenue	387.8m	355.0m
Net profits	14.9m	2.9m
Net per share	3.26	0.64

*Loss

TODD SHIPYARDS	1978	1977
Third quarter	$	$
Revenue	108.5m	63.0m
Net profits	1.71m	1.17m
Net per share	1.13	0.79
Nine months		
Revenue	287.2m	[illegible]
Net profits	4.05m	†1.75m
Net per share	2.66	†1.18

† Loss

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on January 31

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aga Akt. 9¾ 88	25	94½	95	+0½	0	10.13
Australia 8.45 83	175	[illegible]	97¼	0	+0¼	[illegible]
Australia 9½ 93	75	[illegible]	[illegible]	+0½	+1	[illegible]
Beatrice Foods 7½ 83	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA 8¾ 87	50	[illegible]	[illegible]	0	[illegible]	9.75
CECA 9½ 84-99	50	[illegible]	97¼	[illegible]	[illegible]	[illegible]
CNT 9 93	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada 9 83	400	[illegible]	[illegible]	[illegible]	[illegible]	9.47
Canada 9¼ 98	250	[illegible]	[illegible]	0	+1½	[illegible]
Canadair 8¾ 83	70	[illegible]	[illegible]	[illegible]	[illegible]	9.32
Dominion Bridge 9 85	25	[illegible]	[illegible]	0	[illegible]	9.82
EIB 9¾ 98	125	[illegible]	[illegible]	0	[illegible]	9.75
Eksportfinans 9 86	50	[illegible]	[illegible]	0	[illegible]	9.75
Finland 8¾ 83	100	97½	[illegible]	[illegible]	+1½	[illegible]
Finland 9 88	100	[illegible]	97	[illegible]	+1½	9.75
Hospital O/S 9 83	25	[illegible]	[illegible]	[illegible]	0	[illegible]
Ital Finance 9¾ 90	30	[illegible]	[illegible]	[illegible]	+1½	10.48
J. C. Penney 8½ 83	100	[illegible]	97¼	0	[illegible]	9.32
NZ Dev. Fin. 8¾ 83	20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NZ Dev. Fin. 8¾ 85	20	[illegible]	[illegible]	[illegible]	[illegible]	9.55
Nat. West. 9 86	75	[illegible]	[illegible]	[illegible]	+1	9.30
Newfoundland 9¾ 90	50	[illegible]	[illegible]	[illegible]	+1½	9.55
Nord Inv. Bk. 9¼ 88	25	[illegible]	96	0	0	[illegible]
Norges Komm. 9¼ 98	75	[illegible]	[illegible]	0	[illegible]	9.75
Norsk Hydro 9¼ 94	50	[illegible]	[illegible]	[illegible]	[illegible]	9.70
Norway 7¾ 83	250	[illegible]	94	[illegible]	[illegible]	9.72
Norway 8¾ 83	150	97½	[illegible]	0	[illegible]	9.56
Norway 9¾ 84	150	100½	100½	[illegible]	[illegible]	9.85
Occidental 9¾ 85	75	93	93½	0	[illegible]	10.38
Ont. Hydro 8½ 85	125	[illegible]	[illegible]	[illegible]	[illegible]	9.60
Quebec Hydro 9½ 93	50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 9¼ 98	125	97½	[illegible]	0	+1	9.71
UK 8½ 85	200	[illegible]	[illegible]	0	[illegible]	9.52
UK 8¾ 93	150	[illegible]	[illegible]	0	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 6½ 88	150	95½	95¾	0	[illegible]	7.16
Australia 6 88	250	[illegible]	100¼	[illegible]	[illegible]	6.01
Austria 5½ 90	150	[illegible]	[illegible]	0	[illegible]	6.61
Bankamerica 6¾ 90	150	[illegible]	[illegible]	[illegible]	[illegible]	5.88
Bq. Ext. Algerie 7¾ 85	100	[illegible]	97½	0	[illegible]	7.53

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

SWISS BANKS

Facing up to an uncertain year

BY BRIJ KHINDARIA AND JOHN WICKS

SWISS BANKS face a difficult year marked by high risks which could dampen the Swiss economy, according to a report by Credit Suisse, one of the "big three" Swiss banks.

The change of direction in Swiss monetary policy brought about last November "has done something to disperse the storm clouds," the bank stresses. But it adds that prospects overall this year for the banking sector are not favourable.

In a warning to critics of the Swiss banking system who say that the banks are making too much money. Credit Suisse says opponents should not forget that "Switzerland's high standard of living is attributable in large measure to the cheap and copious finance which the banks have traditionally made available to Swiss companies."

Reviewing the state of the banking industry in 1978 and prospects for this year, the report says it is "disquieting that the bank profit margins, which constitute an important cushion against risks, are continuing to narrow. This process, if continued. could cause the bank financing operations to become less aggressive, which in turn could lead to employment problems."

In terms of business volume, the sector's performance in 1978 was satisfactory, but the operating environment changed to one of "political hostility and a sluggish economy." The aggregate assets and liabilities of the 71 largest institutions rose by 3.5 per cent to SwFr 295bn during the first nine months of 1978 compared to a 4.9 per cent increase in the same period of 1977.

The inflow of deposits was substantial at SwFr 9.4bn, but failed to match the high level of the previous year. Besides currency developments a major factor was an increase in liquidity which brought a slump in Swiss interest rates. The growth of inter-bank deposits was down by more than a half on the comparable 1977 lendings. Swiss banks granted more export finance credits and similar high-risk facilities to supplement traditional export credits backed by risk guarantees. "Although the danger of losses on such operations cannot be precisely quantified there has certainly been an overall increase in risks," Credit Suisse warns.

Because of continued pressure on margins the Swiss banking sector is having to adopt a low key stance to its financing operations this year. Credit Suisse, one of the Swiss "big three," finds the trend disquieting

Issuing activity and conversions were brisk, and bond offerings by foreign borrowers were also higher. But because of high liquidity and a strong Swiss franc, redemptions were also high and the net amount raised on the capital market last year amounted to about SwFr 4.5bn, which is well below the 1977 figure.

Credit Suisse's views on the outlook for Swiss banks are mirrored by Banca del Gottardo, of Lugano.

Foreign business is likely to set the pace in 1979 with the bank expecting no noticeable expansion in domestic business.

Results for 1979 will also depend largely on interest margins, according to managing director Fernando Garzoni. These were currently narrow, so that all Swiss banks were suffering from an interest squeeze. Income from commissions should rise this year, but due to the foreign exchange "value" of the Swiss franc overall income from this source was likely to be at about last year's levels. For its part the bank's business had profited, though not substantially, from the lifting last week of restrictions on non-resident purchases of Swiss-franc securities.

Overall Banca del Gottardo views its development in 1978 as "satisfactory." The balance sheet total would have been about SwFr 180m to SwFr 200m higher had exchange rates been stable.

Honeywell and AEG terminate Olympia talks

By Terry Dodsworth in Paris

THE FRENCH general purpose computer company, CII Honeywell Bull, confirmed yesterday that it had held talks with AEG-Telefunken about the future of the German company's Olympia Werke typewriter division. These discussions had now been terminated without any result.

The French group added that the negotiations related to the "convergence of data processing products with office automation products" in a sector of industry which was expected to show strong growth during the next few years.

CII has shown considerable interest recently in industrial sectors such as word processing where technological developments overlap with its own particular expertise. It has recently signed an agreement with CPT Corporation of the U.S. under which it can purchase CPT's word processing equipment and sell it, modified or unmodified, under its own label.

The company says there is no intention at present of resuming talks with AEG.

In recent weeks the German Press has been speculating heavily on the possibility of a major disposal by AEG. The company, the third largest electrical manufacturer on the continent after Siemens and Philips, is known to have financial problems after heavy losses on power station contracts. AEG has not paid a dividend since 1973.

AEG's subsidiary, Olympia Werke has a nominal capital of DM 130m ($69.9m). Its 1977 sales totalled DM 912m but because of a loss of about DM 30m in table computer operations that year, its 1977 net profits dipped to DM 3.4m.

Enskilda Bank beats forecast

BY WILLIAM DULLFORCE IN STOCKHOLM

SUBSTANTIALLY beating the profit forecast it gave at the eight-month stage Skandinaviska Enskilda Banken shows pre-tax earnings of Skr 810m ($187m) in its preliminary report for 1978. This represents an improvement of 32.9 per cent over 1977 compared with the forecast of 20 per cent made in October. The Board proposes to increase the shareholders' dividend by SKr 1 to SKr 9 a share, making a total dividend payment of SKr 136.9m.

The main reason why the bank overshot its forecast is the swift rise in the volume of business in the last four months. Another factor contributing to the good profit performance over the year as a whole has been the management's success in curbing costs. While income climbed by 17.5 per cent to SKr 1.95bn, costs rose by only 8.5 per cent to SKr 1.14bn.

The balance sheet grew by 13.3 per cent over the year to SKr 52bn ($11.9bn). Deposits in Swedish Kronor rose by SKr 5.4bn or 22.8 per cent to SKr 29.2bn, at the same time as the bank's lending increased by only 5 per cent, or SKr 1.16bn to SKr 24.2bn. There have been restraints on bank lending in line with the Swedish Government's tight monetary policy during the year.

Net extraordinary costs amount to SKr 46.7m of which SKr 24.2m is a payment to the employees' profit-sharing trust. The trust will be able to buy bank shares equivalent to about SKr 3,600 for each employee.

The final result before appropriations and tax comes out at SKr 763m, an improvement of almost 40 per cent over 1977. The Skandinaviska Enskilda group as a whole, including its finance and property subsidiaries and those foreign units in which it has a majority holding, returned pre-tax earnings of SKr 953m for 1978, an increase of 34.5 per cent.

The four managing directors signalled more aggressive policies after a meeting in Gothenburg earlier this month. The bank had been deliberately following a defensive line, concentrating on cutting back costs, Mr. Jacob Palmstierna, one of the managing directors, said it had lost ground within the commercial sector and had to move on to the attack.

Among the new initiatives is a new form of lending aimed at companies seeking capital for innovations and technical development. The bank also raised its interest rate for large deposits by 0.5 per cent.

Slack turbine demand hits earnings at Borsig

BY LESLIE COLITT IN BERLIN

BORSIG, the West Berlin engineering company, is paying a 12 per cent dividend for the year ended September 30. Profits were DM 4.38m on a virtually constant turnover of DM355m. Previous year profits were DM 10.2m.

The company, a subsidiary of Deutsche Babcock, calls the result "satisfactory" in the light of stagnating domestic demand for its steam turbine equipment and the impact of the dollar's fall on the 65 per cent of production which is exported. New orders rose 14 per cent to DM 362m in 1977-78 and Borsig expects a "moderate" rise in turnover for the current financial year.

The company says its turbo-compressors were especially successful in the Soviet market, where it is building two of the largest carbon dioxide liquefaction plants worth DM 72m with Davy Powergas as the main subcontractor. Turbo-compressors are being delivered to Romania, the UK, Nigeria and Argentina. Sales to the Soviet Union of Borsig giant shut-off ball valves for natural gas pipelines fell so that other markets in the Middle East, Algeria, Mexico and Australia have had to be tapped.

Borsig had 3,097 employees, 5 per cent less than in the previous year, while labour and social costs rose 2 per cent to DM 127m. Investments fell last year to DM 11m and the company says that there is no sign of a basic improvement in domestic demand. This and the currency situation will make it difficult to improve profits which are an "essential pre-requisite" for expanding investments.

Volvo to increase production

By Our Nordic Editor

VOLVO INTENDS to raise its car production this year to 315,000 or 320,000. This compares with an output of 262,500 cars in 1978, and represents an increase of at least 20 per cent.

The company also announced yesterday that it was negotiating a merger of its forestry machinery operation with that of another Swedish manufacturer, Oestbergs Fabriks. The third Swedish producer of forestry machinery, Kockums, the shipbuilding group which is in process of being taken over by the state, would probably join the new group later in the year, it was said.

The intention is to concentrate development, assembly and central marketing operations in Oestberg, while the main components — engines, transmissions and hydraulic systems, axles and cabins—would be delivered by Volvo BM.

The two announcements appear to be part of the Volvo Board and management's campaign to retain the initiative after the defeat by shareholders last week of their plan to sell 40 per cent of the company ﬃ Norway.

On Tuesday, Mr. Pehr Gyllenhamar, managing director, held a Press conference in Oslo to assure the Norwegians that Volvo intended to continue the co-operation projected with their aluminium and plastic component manufacturers, and to pursue development of a new car together with them.

Volvo now expects to produce 230,000-235,000 cars in the 240/260 series and 85,000 of the Volvo 343 and Volvo 66 models made in Holland during 1979. The Dutch operation has been making heavy losses and Volvo has said that it would need to reach an output of about 100,000 before it could hope to break into profit.

More lay-offs at RIV

By Our Paris Staff

FURTHER HEAVY losses at Renault Industrial Vehicles, the French commercial vehicle group which recorded a deficit of Fr 250m ($58m) in 1977, has forced the company to announce another 873 redundancies to follow the 950 declared in December.

These new measures mark the end of Renault's hopes that the truck market in Europe would pick up sufficiently to allow the reorganisation of the group, from the Savien and Berliet companies, while keeping the labour force largely intact.

The latest round of redundancies, from a workforce of about 38,000, will affect white-collar workers only. Renault is hoping to achieve as many as possible by voluntary methods.

Losses for 1978 will be higher than in 1977, and it has been suggested that they may reach FFr 350m.

Ruhrkohle sales improve on steel sector upturn

BY ADRIAN DICKS IN BONN

RUHRKOHLE, the giant of the West Geaman coal industry, experienced a distinct improvement in sales in 1978 which should help it to consolidate its financial position after several difficult years.

Issuing preliminary 1978 results in tonnage terms, the Ruhrkole Board announced that overall sales had risen by 10.4 per cent to 64.1m tonnes of coal and coke. Stocks of unsold coal at the pithead—a heavy financial burden on the industry since the recession of 1975—fell by one-fifth to 19.5m tonnes at the end of last month.

The upward turn in the steel industry appears to have been the single most important reason for Ruhrkole's improvement, which the company says exceeded all its expectations. Sales to the steel sector were up by 13 per cent to 33m tonnes, although about 500,000 tonnes more would have been sold in West Germany but for the stoppage in the industry in December.

Sales to the electricity industry were up by 12.7 per cent to 23.6m tonnes, while coal and coke exports rose by a quarter to 18.8m tonnes.

Dutch publishers expect profits expansion

BY CHARLES BATCHELOR IN AMSTERDAM

TWO DUTCH publishing groups which plan to merge later this year, Elsevier and Nederlandse Dagbladunie (NDU) report sharply higher 1978 profits expectations. Elsevier expects 1978 profits of Fl 28m ($14m), an increase of 23 per cent, while NDU expects profits to almost double to Fl 20m.

Elsevier-NDU, as the holding company will be known after the merger, plans to pay a cash dividend of Fl 8 per share as well as 6 per cent in tax free shares. This payment will be charged to the 1979 accounts but will count as a dividend for 1978. The company expects profits per share to rise again in 1979 despite the increase in capital.

One of the priorities of the new group will be the development of a strong presence in the U.S., the Boards of the two companies report. Elsevier has already set up a new division to coordinate its activities in North America.

After the U.S. market Elsevier-NDU intends to develop in West Germany, Britain and France. The Dutch language area has become "too small to allow further expansion."

Shareholders have until March 1 to exchange their existing shares for those in the new company. Sales by Elsevier rose by 9 per cent to Fl 645m ($322m) in 1978 while NDU turnover rose 14 per cent to Fl 475m.

* * *

Van Gelder Papier, the troubled Dutch paper manufacturer, returned to profit in 1978 after three years of losses. The company made net profit of Fl27.6m ($13.8m) compared with a loss of Fl27.7m in 1977. However, it expects profits in the current year to fall, according to Mr. Keith Provo, executive chairman.

The reasons for the improvement in 1978 were lower raw material prices, better use of capacity, improved efficiency and the effect of the decline of the dollar on material costs. Costs are rising again though and the overcapacity in the industry means this cannot be passed on in higher prices.

Van Gelder recorded an operating profit last year of Fl23m after making a loss of Fl21.1m in 1977. The net result includes extraordinary profit of Fl17.3m after a decision by the Dutch Supreme Court had allowed the company to draw down provisions made for water pollution costs.

Sales fell Fl33m to Fl813m ($406m). This figure excludes the Fl36m turnover of a factory in Renkum, near Arnhem, in which Van Gelder has an 80 per cent shareholding.

* * *

Centrale Rabobank's Fl 150m issue, bearing 8.5 per cent and spread ovr 10 years has been priced at 99.5. Dealers said the bank would have "no problems" marketing the issue although the price was generally less than anticipated. Some traders had expected a price of par.

Trading in the Fl 500m Government issue has been dominated by market professionals in the past week. The 10 year offering at 8½ per cent has slipped in price to 99.8 from 100.5 at issue.

Toray streamlining aids recovery from losses

BY RICHARD HANSON IN TOKYO

TORAY INDUSTRIES, Japan's largest maker of synthetic *fibres*, reported a sharp turnround on a consolidated basis to a net profit of Y14.64bn ($73m) *in the half-year* to September 30 after suffering a loss of Y5.97bn a year ago.

This favourable performance was the result of several years of streamlining operations and reducing *its workforce, along* with improved business in its Southeast Asian operations and steady demand for synthetic fibres at home.

Consolidated sales rose by 1.5 per cent to Y248.4bn ($1.23bn) from Y244.75bn. For the full year, they should total some Y500bn compared with Y484.4bn in 1977-78.

The company is forecasting that net profit in the second half of the year, ending March, will total about Y5bn. It notes that the real profit from its business will actually show an improvement if first half extra-*ordinary income* and foreign exchange translation gains are excluded: Last year, Toray *made a net loss of Y3.78bn after* a Y532 profit during 1976-77.

There were about Y6bn of currency gains in the half-year, when the dollar dropped below Y190. In the second half, this is expected to turn into a loss as the U.S. currency has regained some of its strength.

Fibre and textile sales, which account for more than 70 per cent of the total, were up by 2.5 per cent and plastic sales (12.4 per cent of the total) gained 9.1 per cent. The company reported continued weakness in the chemicals sector, down 22.7 per cent.

The export sector fared rather poorly, with its share of total sales down to 24 per cent *from 28 per cent a year ago.*

Philips India to dilute its foreign holdings

By K. K. Sharma in New Delhi

PHILIPS INDIA, a subsidary of the Dutch electronics multinational, is to reduce its foreign equity holdings from 60 per cent to 40 per cent, after the rejection of its schemes for diversification by the Indian Government.

In view of this, the company is required to dilute its non-resident equity holdings under the terms of the Foreign Exchange Regulation Act which stipulates the "Indianisation" of ownership of most non-Indian companies to the extent of 60 per cent.

Philips has been allowed to sell more than 2.1m shares of Rs10 each now held by the parent concern in Holland to Indians at Rs14 ($1.75) per share.

***It has also been permitted* to make a fresh issue of 1.7m shares of Rs10 at a premium of Rs4 to Indians to enable it to dilute its foreign holdings.**

The company will be renamed Peico Electronics and Electricals, but will continue to receive support from Philips in Holland. It will also carry on using the Philips trade marke and emblem on its products.

In 1977, the last full year for which Philips India has announced its results, the company's pre-tax profits rose by 32 per cent to Rs91m. But this still left its profitability below the level of 1971, when the figure before *tax totalled* Rs116m on turnover of Rs466m.

Record New Straits Times profit

BY OUR KUALA LUMPUR CORRESPONDENT

MALAYSIA'S *largest newspaper* group, the New Straits Times Berhad, boosted its pre-tax profits by 45 per cent last year to a record 14m ringgits ($6.4m) and expects further growth in 1979.

The sharp jump in profits, set against a more modest 15 per *cent rise in sales* to 59.5m ringgits, showed the group's ability to raise its circulation and *advertising revenue even* when markets were stable, said Mr. Junus Sudin, the chairman, in the annual report.

The benefits of the Group's second printing plant at Butterworth *in north Malaysia* would be evident during the second half of 1979, he said, and the *Group plans to build another* plant in Johore in the south to improve printing and distribution.

Reviewing last year's results, he said the Group's newspapers all showed a big improvement in circulation and advertising. The New Straits Times, the Group's main paper, increased *circulation by 13.700 copies to* 184,000, while its Sunday edition rose by 11,800 copies to 230,700.

Its Malay language daily, Berita Harian, registered an even more impressive gain, with circulation rising by 15,200 copies to 91,000, while the Sunday edition added 32,000 copies to 151,000.

Circulation of its fledgling financial daily, Business Times, rose by another 1,800 copies to *4,900. During the year ended* August, Business Times managed to cut its losses to 340,000 ringgits from 992,000 riggits, and the paper is expected to make a modest profit this financial year.

The group ceased publication however, of its Malay business magazine, Puspaniaga, which showed no sign of attracting sales and advertising, despite four years of existence.

During the year, the group's capital was increased from 13.8m to 23m ringgits through a rights and scrip issue. The final dividend is 25 per cent. Net earnings per share rose from 18 cents to 26 cents, while net dividends increased from 14 cents to 20 cents.

MORE SHARES FOR MALAYS BY 1990

Coming of age difficulties

BY WONG SULONG IN KUALA LUMPUR

THE YEAR 1990 will be a very important one for Malaysians. The Government has promised that by then, the Bumiputras (indigenous people, mainly Malays) who make up 56 per cent of the population, will own at least 30 per cent of the equity of the corporate sector.

Currently, Bumiputra individuals and institutions hold probably not more than 10 per cent of the equity, and with only 12 years to go, many people are nervously asking whether the target can be reached.

Having dangled this magical and arbitrarily-derived figure of 30 per cent in front of the Malays, the Government will find *itself in* a difficult political situation if its arithmetic does not add up.

To most Malays, the 30 per cent mark has come to represent their coming of age in the business world, long dominated by the Malaysian Chinese and foreigners.

Foreign decline

By 1990, according to Government projections, the non-Malay ownership of the corporate sector will be 40 per cent, and *the foreign share will decline* from 60 per cent to 30 per cent.

Although the increase in *Malay equity ownership is one* of the main planks of the new economic policy, the Government apparently does not possess the statistics to show an up-to-date picture of the changes in Malay ownership in the various economic sectors. But one thing is certain: by themselves the Malays cannot *achieve the 30 per cent target* by 1990. They simply do not *have enough money.*

So what the Government has done is to create a range of *agencies — designated* as Malay institutions — to buy shares and undertake business ventures. *These investments are held in* trust for the Malays. The full list of these Malay agencies is *not defined, but this vagueness* may be deliberate, leaving the authorities to designate more agencies as "Malay" if they find that the 30 per cent target is not being met. It is commonly assumed that the Pernas and Mara groups of companies, the Urban Development Authority, and the various state economic corporations, are among the Government-sponsored Malay agencies.

To conform with the above aim, private companies, whether publicly quoted or privately *owned, are required to restruc*ture their equity and sell some of their shares to Bumiputras. Very often, these shares are sold below market price. The latest example is that of Batu Kawan, the large plantation and investment group, controlled by Senator Lee Loy Seng. It had to sell 15m shares to Bumiputras at 1.1 *ringgits per share, when* the price was 1.7 ringgits on the Kuala Lumpur Stock Exchange.

The Government has a *major* say in fixing the price of shares to be sold to the Malays, and companies concerned generally accept the price fixed as an ex*pression of their goodwill to the* Government and the Malays.

Of late, there has been considerable publicity over the *abuses arising from the issue of* shares to Malays. These abuses *are not new, but the current* debate may indicate their current spread. The trouble is *that the authorities have yet to* come out with an effective way to eradicate the malpractices.

The Government has also studied the possibility of setting up a separate stock exchange *where buying and selling of* shares is confined to Bumiputras. This, however, was found to be impractical.

There is also considerable dissatisfaction over the allot*ment of shares, for it is found* that Malays with the right political and family connections are receiving heavy amounts of much sought-after shares.

In answer to charges of favouritism, the Government has set up the Bumiputra Investment Foundation, headed by Dr. Mahathir Mohamed, the *Deputy Prime Minister, with a* paid-up capital of 200m ringgits ($U.S.91m). Its role is to buy up reserved shares, and in turn set up unit trusts to sell its units to the small Malay investors, particularly those in the rural areas. Since it was launched last April, the Foundation has invested nearly 50m *ringgits in seven public com*panies—Sime Darby, East Asiatic Malaysia, Kuala Lumpur-Kepong, Gold Coin, Chemical Company of Malaysia, Perlis Plantations and Malaysian Tobacco Company.

These are blue chip counters, and the current market value of its holdings in these companies *is probably twice the original* investment. The Foundation hopes to start its first unit trust *by the end of the year.*

The authorities feel that the rural Malays, *particularly* those in Government-sponsored land development schemes, have substantial *savings* that could be tapped for corporate investment —but mobilising such funds is difficult as these Malays have only a vague idea about shares and how unit trusts operate.

The economic import of the Government's sponsored Malay institutions is being increasingly felt in the private sector. The two largest locally-incorporated banks — Malayan Banking Berhad and Bank Bumiputra — are under government control.

In control

Pernas, the Bumiputra Foundation, the *Pilgrims* Fund Board, and other agencies, hold between 20 per cent and 25 per cent of Sime Darby — which is currently bidding for Guthrie Corporation — and as a group, they wield ultimate control over the conglomerate. Pernas also has a 71 per cent stake in Malaysian Mining Corporation *which controls the largest* and most profitable tin mines in the country.

As the Malays move swiftly into major corporations, the Government is feeling confident *enough to relax some of its* demands on the private sector. Recently, Dr. Mahathir, assured companies which find difficulties in selling their shares to Malays (because they are new or not making profits), or in recruiting sufficient Malay workers, that adequate time would be given for them to sort out these *difficulties.*

Israel Aircraft Industries exports reach $300m

BY L. DANIEL IN TEL AVIV

EXPORTS by the Government-owned Israel Aircraft Industries totalled more than $300m last year, half of its total sales, and the company says it now has orders on hand for at least two years.

In 1979, IAI *expects* to export some $300m worth of its Kfir fighter aircraft, which use American engines from General Electric. Last week, the Austrian federal chancellor, Dr. Bruno *Kreisky, said that his* country may assemble Kfir fighters, while IAI is also hold*ing talks with other countries* on possible sales.

Sales of IAI's Westwind executive jet have been growing steadily, with 108 sold so far at an average price of $2.4m each.

The third aircraft produced by the company, the Arava transport is being manufactured at the rate of 18 a year to meet "modest demand."

IAI said that its Bedek aircraft maintenance and overhaul division had recently enlarged its facilities and is engaged in work *on all types of aircraft* from Pipers to Boeing 747 Jumbo jets. It now serves 30 *foreign companies*, as well as Israel's three airlines.

The company's research and development budget for 1979-80 is close to $43m, though this does not include any research which may be conducted on a third generation fighter, the Arye, a project which is currently awaiting a decision within the next few months by the Government on whether to go ahead or to buy American.

At the end of *last year*, IAI employed 20,000 people in its various plants compared with *18,700* a year *earlier.*

* * *

ELSCINT, the medical electronic equipment subsidiary of the Elron group of companies, achieved total sales of I£195.4m ($11.2m) in the first half of the current fiscal year. For the whole of 1977-78 total sales reached I£349m.

Profits in the six months to last September amounted to I£12.1m ($690,000), or four times those recorded for the full 1977-78 year. Earnings per share for the latest *interim* period moved up to I£4.72 from I£1.17 for all of the previous year.

The improved results reflect both a continuous growth in sales, *mostly to foreign* markets, and a substantial increase in profitability.

NOTICE

To the holders of the Floating Rate London Dollar Certificates of Deposit due August, 1982 of:

DOW BANKING CORPORATION

108, Fenchurch Street, London, E.C.3

We hereby certify that the rate of interest payable on the above-mentioned Certificates of Deposit for the Interest Period beginning on 2nd day of February, 1979, is 11 per cent per annum and the Interest Payment Date relating thereto is 2nd day of August, 1979.

EUROPEAN BANKING COMPANY LIMITED

Weekly net asset value
on January 29th 1979

Tokyo Pacific Holdings N.V.
U.S. $66.17

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. $48.21

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson NV Herengracht 214, Amsterdam.

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	23.1.79	30.1.79	AVERAGE YIELD	23.1.79	30.1.79
DM Bonds	103.76	103.02	DM Bonds	6.699	6.723
HFL Bonds & Notes	99.71	99.70	HFL Bonds & Notes	8.387	8.488
U.S. $ Strt. Bonds	95.68	96.56	U.S. $ Strt. Bonds	9.500	9.424
Can. Dollar Bonds	95.20	95.61	Can. Dollar Bonds	10.345	10.255

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at January 23, 1979 (Base 100 on 4.1.77)
Clive Fixed Interest Capital 129.92
Clive Fixed Interest Income 115.15

Nacional Financiera, S.A.

7½% External Loan 1982

Singer & Friedlander Ltd., announce that the redemption instalment of U.S. $900,000 due 1st March 1979 has been met by purchases in the market to the nominal value of U.S. $772,000 and by a drawing of Bonds to the nominal value of U.S. $128,000.

The distinctive numbers of the Bonds, drawn in the presence of a *Notary Public are as follows:*

7205	7230	7243	7265	7289	7329	7387	7403	7423	7439
7206	7231	7244	7266	7290	7344	7388	7410	7424	7440
7207	7232	7254	7272	7291	7353	7389	7411	7425	7441
7211	7233	7255	7274	7300	7366	7391	7412	7426	7442
7212	7234	7256	7275	7301	7378	7392	7413	7427	7443
7217	7235	7257	7281	7302	7379	7393	7415	7429	7444
7223	7236	7258	7282	7307	7380	7394	7416	7430	7445
7224	7237	7259	7283	7308	7381	7395	7417	7431	7447
7225	7238	7260	7284	7315	7382	7396	7418	7432	7448
7226	7239	7261	7285	7316	7383	7397	7419	7433	7449
7227	7240	7262	7286	7319	7384	7398	7420	7434	7450
7228	7241	7263	7287	7320	7385	7399	7421	7436	
7229	7242	7264	7288	7328	7386	7400	7422	7437	

On the 1st March 1979 there will become payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:- Singer & Friedlander Limited, 20, Cannon Street, London EC4M 6XE or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on or after 1st March 1979. Bonds so presented for payment must have attached all coupons maturing subsequent to 1st March 1979.

20, Cannon Street, London EC4M 6XE — 1st February 1979

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at January 25, 1979
Capital Fixed Interest Portfolio 100.02
Income Fixed Interest Portfolio 97.75

NOTICE OF REDEMPTION

of

Ente Nazionale per l'Energia Elettrica-ENEL

(Italian National Electric Energy Agency)

7½ Per Cent. 15-Year Guaranteed Bonds of 1970

Due March 1, 1985

NOTICE IS HEREBY GIVEN, on behalf of Ente Nazionale per l'Energia Elettrica-ENEL, that on March 1, 1979, $3,500,000 principal amount *of its 7½ Per Cent. 15-Year Guaranteed Bonds of 1970 will be redeemed out of moneys to be paid by it to Dillon, Read & Co., as Principal* Paying Agent, pursuant to the mandatory, annual redemption requirement of said Bonds and to the related Authenticating Agency Agreement and Paying Agency Agreement, each dated as of March 1, 1970. The Chase Manhattan Bank (National Association), as *Authenticating Agent, has selected, by lot, for such redemption the Bonds bearing the following serial numbers:*

BONDS SELECTED FOR REDEMPTION

[illegible]

Bonds so selected for redemption will become and be due and payable in United States dollars on March 1, 1979, at the office of *Dillon, Read & Co., 48 Wall Street, New York, New York 10005, at one hundred per cent (100%) of the principal* amount thereof with interest accrued thereon to the redemption date. Bonds should be presented for redemption together with all appurtenant coupons maturing subsequent to the redemption date. If moneys for the redemption of all the Bonds to be redeemed are available at the office *of Dillon, Read & Co. on the redemption date, interest thereon will cease to accrue from and after such date.*

At the option of the respective holders of bearer Bonds selected for redemption, the principal amount thereof and interest thereon may be collected upon presentation at the offices of the following Co-Paying Agents: in Luxembourg-Ville, Grand Duché of Luxembourg at *the principal office of Banque de Paris et des Pays-Bas pour le Grand Duché* de Luxembourg S.A., or in Milan, Italy at the principal branch of Banca Commerciale Italiana S.p.A., or in London, United Kingdom at the principal office of S.G. Warburg & Co. Limited, or in Frankfurt, a/M, Federal Republic of Germany at the principal office of Deutsche Bank A.G. Additionally, insurance companies doing *business in the Republic of Italy may present for redemption Bonds registered as* to principal, which they own, at the principal branch of the Co-Paying Agent in Milan, Italy.

DILLON, READ & CO.
Principal Paying Agent

Dated: January 25, 1979

U.S. $10,000,000

Medium Term Loan

Ljubljanska Banka-Združena Banka, Ljubljana

Managed by
The National Bank of Kuwait S.A.K.

Provided by
Banque Nationale de Paris O.B.U. Bahrain
Coöperative Centrale Raiffeisen – Boerenleenbank B.A. (Centrale Rabobank)
The Gulf Bank K.S.C.
Interunion – Banque
The National Bank of Kuwait S.A.K.

Agent
The National Bank of Kuwait S.A.K.

DECEMBER 1978

WORLD STOCK MARKETS

Wall St. reacts 8.2 more in early trading

INVESTMENT DOLLAR PREMIUM
$2.60 to £1 — 92% (92¼%)
Effective $1.9900 47% (47⅝%)

CONCERN ABOUT conditions in Iran and profit-taking overshadowed a cut in the prime rate, and stock prices on Wall Street declined in fairly active early trading yesterday.

The Dow Jones Industrial Average retreated 8.22 more to 843.56, while the NYSE All Common Index receded 39 cents to $56.21 and declines outscored gains by about a five-to-three ratio. Trading volume expanded to 19.11m shares from Tuesday's level of 16.54m.

Closing prices and market reports were not available for this edition.

Analysts said the failure of stock prices to rise after Chase Manhattan Bank cut its Prime Rate to 11¾ from 11¾ per cent indicated to many traders that the market was vulnerable and they cashed in on their January gains.

However, a report that U.S. leading indicators declined in December by 0.5 per cent, the same amount as in November, was regarded as mildly bullish, since it could indicate an easing of inflationary pressures.

Among Blue Chip and Glamour issues, **General Motors** lost ⅜ to $57⅝, **Smithkline** 1⅛ to $88⅜, **IBM** 1⅛ to $310⅜, **Alcoa** 1⅛ to $51⅞, **Eastman Kodak** ⅞ to $61⅜ and **Polaroid** ½ to $52⅞.

Among the actives, **Perkin-Elmer** declined $1 to $29½, **Digital Equipment** 1⅝ to $53¼, **Boeing** $1 to $75⅞, **McDonald's** 1⅜ to $44⅛, **Texaco** $1 to $24¼ ex-dividend and **Occidental Petroleum** 1⅛ to $17⅝.

Philip Morris' December quarter earnings rose sharply but the shares lost ⅝ to $68⅝.

Eli Lilly fell 1⅜ to $50. Its "Darvon" pain killer is under congressional scrutiny.

Asarco gained ⅞ to $18⅜ in active trading. It has reinstated its spot selling price for copper 6 cents higher than when it was dicontinued.

Bethlehem Steel eased ¼ to $22⅞ despite a four-fold rise in fourth-quarter profits and an increased dividend.

THE AMERICAN SE Market Value Index lost 1.33 to 159.93 at 1 pm on moderate volume of 1.45m shares (1.48m)

Among the actives, **Syntex** shed ⅞ to $36¼, **Carnation** ⅞ to $26¼ and **Houston Oil and Minerals** ⅛ to $16⅞, but **Resorts International "A"** gained ½ to $32¼ and **Amdahl** 1½ to $45⅞.

Applied Devices eased ⅛ to $9⅜ despite improved fourth-quarter profits.

Canada

Tuesday's reactionary trend continued yesterday morning in fairly busy trading.

The Toronto Composite Index was 5.1 lower at 1,367.7 at noon, while Oils and Gas declined 13.8 to 1,875.7, Golds 10.3 to 1,511.5, Metals and Minerals 6.0 to 1,227.2, Banks 2.18 to 322.36 and Papers 0.45 to 158.89.

Among Oil shares, **Hudson's Bay Oil** receded 2¼ to C$56¼, **Petrofina Canada** C$1 to C$24½ and **Dome Petroleum** C$1 to C$97¾.

Bell Canada, the most active Toronto Industrial, gained ⅛ to C$63½ on 47,119 shares. **Norcen** rose ⅞ to C$17⅞ but **Inco** shed ⅛ to C$21¾.

Tokyo

After Tuesday's mild setback, the stock market put on a fresh show of strength in active dealigs yesterday.

The Nikkei-Dow Jones Average advanced 26.70 to a new record high of 6,212.78 and the Tokyo SE index moved ahead 1.12 to 462.97, while volume reached 510m shares, up from the previous day's figure of 380m.

Energy industry-related stocks, such as Oil Refiners, were hunted again on expectations that Iran's political unrest would extend over a long period.

Arabian Oil rose 790 to Y3,190 and **Teikoku Oil** Y30 to Y455.

Real Estate stocks, such as **Heiwa Real Estate**, up Y13 at Y667, were actively bought on the repor by the National Land Agency that the nation's land price rose an average of 5.1 per cent in 1978 from the previous year's average. The agency said in the report that the land price rises in and outside the three major cities of Tokyo, Osaka, and Nagoya were very sharp over the year.

Speculative Chemicals also advanced. **Kaken Chemical** added Y190 at Y2,560 and **Toyama Chemical** Y32 at Y898.

Some export-orientated shares improved on the yen's fall against the dollar on the foreig exchange market. **Matsushita Electric Idustrial** moved ahead Y9 to Y705, **Mitsubishi Petrochemical** Y10 to Y272, **Pioneer Electronic** Y20 to Y2,030 and **Toyo Kogyo** Y16 to Y438, but **Soy** shed Y20 to Y1,670.

Germany

Share prices closed mixed after further cautious trading, with Banks generally registering losses but Industrials and Electricals managing some gains. The Commerzbank index lost 1.4 more to 819.7.

Dealers said trading was marked by a lot of insecurity caused by events in Iran. One market source said Iran was the dominant factor in the continuing weakness of Bank issues. The extent of credit to Iran by specific West German banks is not publicly known, but investors assume that the larger banks would suffer considerably should Iran default under a new Government or because of civil war, the dealer explained.

Adding to the pressure on Banks was the widespread assumption that interest rates would rise following the Bundesbank actions to cut the growth of West Germany's supply on January 18.

Recent reports of scattered rises in mortgage and other credit rates have strengthened this assumption by many investors.

Among Banks, **Commerzbank** lost DM 2.80, **Deutsche Bank** DM 1.98, **Dresdner Bank** DM 1.40 and **Bayerische Hypo Bank** DM 4.00.

In the Motors sector, **Daimler** retreated DM 2.80 and **BMW** DM 1.50.

Elsewhere, **Degussa** were down DM 1.00. Reports that the company intends a dividend of DM 8.50 per share, unchanged from the year before, came too late to affect trading.

In Utilities, **Veba** gained DM 1.50 and **VEW** DM 1.60, while **Krupp-Huette** rose DM 2.50 in mixed Steels. **AEG** steadied among Electricals after the company denied reports of a capital reduction.

In Insurances, **Allianz** advanced DM 4.00 but **Muenchener Rueversicherung** lost DM 5.00 in volatile trading that has recently been the norm for these issues.

Preussag picked up DM 3.20, while **Lufthansa** put on DM 1.50.

Public Authority Bonds, after recent weakness, turned mixed yesterday. Purchases and sales by the Regulating Authorities were evenly balanced after DM 18.7m purchases on Tuesday. Mark Foreign Loans were steady.

Paris

Stocks were mostly lower in light trading, with the Iran situation continuing to overhang the market and adverse domestic factors adding to the depression.

Banks were particularly affected by a one-day strike by employees, and car shares fell following redundancies announced on Tuesday by a Renault subsidiary.

Falls were seen across the board among domestic stocks, apart from Oil shares, which were narrowly mixed. The Bourse Industrial index declined 0.5 to 76.7.

A bulletin issued by the Paribas banking group predicting risces of between 5 to 10 per cent in French share prices was ignored by the market.

Prominently weaker issues included **Locafrance**, **Ferodo**, **Sagem**, **Bouygues**, **Darty Legrand**, **Radiotechnique**, **LMT**, **Soane**, **CFP**, **Roussel-UCLAF**, **CIT-Alcatel** and **Air Liquide**.

Gaining against the trend were **Bail Equipment**, **Maisons Phenix**, **Paris-France**, **Matra** and **Saclior**.

Australia

With the December quarter Consumer Price Index rise remaining a drag on sentiment, Industrials and Banks retained an easier tendency.

BHP shed 4 cents to A$0.42 and **Nicholas International** 3 cents to A$1.00.

Among Stores, **G. J. Coles**, following interim results, were a shade lower at A$2.30, but **Woolworths** recovered 3 cents to A$1.63.

In Minings, Uraniums declined, while Coals and Coppers closed on a mixed note.

Renison Tin and **Central Norseman Gold** receded 30 cents apiece, but in Coals, **Oakbridge** were 6 cents higher at A$1.56.

Sims gainef another 5 cents to A$1.47, still responding to the bid from **Peko-Walsend**, which held steady at A$5.60 after the previous day's loss of 30 cents.

Johannesburg

Gold shares, after an initial softer opening, partially recovered in quiet trading.

Mining Financials closed on a mixed note. **Middle Witwatersrand** gained 15 cents to R4.75 after results.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pts 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
⊕ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m% tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

Stock	Jan. 30	Jan. 29
Abbott Labs.	55¼	55¼
AM International	23⅝	23⅜
Aetna Life & Ca.	42¼	42⅜
Airproducts	27⅝	27½
Alcan Aluminium	37½	37⅝
Alcoa	53	53¼
Alleg. Ludlum	16⅞	16¾
Allegheny Power	17⅛	17⅛
Allied Chemical	30¼	30
Allied Stores	22¾	23⅛
Allis-Chalmers	30⅞	31
AMAX	51	53
Amerada Hess	26⅛	26¾
Amer. Airlines	12⅛	12⅜
Amer. Brands	50⅝	51⅛
Amer. Broadc'st	34⅞	34½
Amer. Can	36½	36½
Amer. Cyanamid	25½	25⅝
Amer. Dist. Tel.	23¾	23⅝
Amer. Elect. Pow	22⅞	22½
Amer. Express	30⅝	30¼
Amer. Home Prod	27¾	27¾
Amer. Medical	29½	30¼
Amer. Motors	6⅛	6½
Amer. Nat. Res.	37	38
Amer. Standard	44¼	44¼
Amer. Stores	36⅜	36¾
Amer. Tel. & Tel.	63⅜	63¾
Ametek	33⅞	33¾
AMF	17⅝	17¾
AMP	34⅞	36⅛
Ampex	16⅛	16⅛
Anchor Hocking	29¾	30⅛
Anheuser Busch	26¾	26¾
Armco	20⅞	21
A.S.A.	25⅜	25½
Asamera Oil	16¼	16⅛
Asarco	18	17½
Ashland Oil	37	37½
Atl. Richfield	58¾	59¾
Auto Data Pro.	32	32⅜
AVC	9¼	9¼
Avco	20⅞	20⅞
Avon Products	54½	54⅞
Balt. Gas Elect.	25½	25⅜
Bangor Punta	21¾	21½
Bank America	25⅝	25¾
Bankers Tr. N.Y.	34	33⅞
Barber Oil	25	25
Baxter Travenol	41¾	42
Beatrice Food	23½	23⅞
Beat'n Dick'nson	33½	33¾
Bell & Howell	15⅜	15½
Bendix	39⅜	39⅜
Benguet Cons 'B'	3¾	3¾
Bethlehem Steel	23½	23⅝
Black & Decker	19½	19¼
Boeing	76⅞	78½
Boise Cascade	31½	31½
Borden	25⅞	26¼
Borg Warner	28⅛	28½
Braniff Int.	13¾	13
Brascan 'A'	16¾	16
Bristol Myers	37	37¼
B.Pet A Drit R.	17¾	17⅝
Brockway Glass	18	18¼
Brunswick	14½	14½
Bucyrus Erie	18⅜	18⅜
Bulova Watch	10	9¾
Burlington Nthn.	39⅛	39⅜
Burrough	70⅜	71¾
Campbell Soup	35⅜	35¼
Canadian Pacific	21⅛	21
Cana. Randolph	10⅜	10⅜
Carnation	26⅝	26¾
Carrier & Gener.	12	12¼
Carter Hawley	16¾	16⅜
Caterpillar Tract	61¾	62⅜
CBS	54¾	54¾
Celanese Corpn.	45¾	45¼
Central & S.W.	15⅜	15⅜
Certainteed	18⅜	18¼
Cessna Aircraft	21⅝	21⅞
Champion Inter	22⅝	22⅞
Ch'se Manhattan	31	31¼
Chemical Bk. NY	39½	39½
Chesebugh Pond	25⅛	25
Chessie System	27¾	28⅛
Chicago Bridge	49¾	49½
Chrysler	10¾	11
Cine. Milacron	33⅛	32¾
Citicorp	24⅜	24¾
Cities Service	55⅛	54⅝
City Investing	15	14¾
Cleveland Cliff	29¼	29½
CocaCola	43⅞	44⅜
Colgate Palm	18⅞	19⅜
Collins Aikman	9¼	9⅜
Columbia Gas	26	26
Columbia Pict.	21⅞	22
Com.InsCo.ofAm	17	17⅛
Combustion Eng.	37¼	37½
Combustion Eq.	11⅜	11⅞
C'm'wth Edison	26⅞	26⅞
Comm. Saterlite	40¼	40½
ComputerScienc	12⅜	12½
Conn Life Ins.	37	36¾
Conrac	14½	14⅜
Con. Edison NY	24¾	24½
Consol Foods	23¾	23⅝
Consol Nat Gas	38½	38⅛
ConsumerPower	23¼	23½
Continental Grp.	28⅜	28⅜
Continental Oil	30¾	30⅞
Continental Tele	15⅝	15⅝
Control Data	35¼	36¼
Cooper Indus	46⅜	46¼
Corning Glass	55¾	56⅝
CPC Int'rn'tiona	50	50⅞
Crane	31⅜	30¾
Crocker Natl.	28⅛	28¼
Crown Zellerb'h	33⅞	34⅛
Cummins Engine	36⅛	36
Curtiss Wright	14⅜	14⅛
Dana	28⅝	29
Dart Industries	40½	41
Deere	37¼	37⅜
Del Monte	46	46
Deltona	10½	10½
Dentsply Int.	16¾	16⅝
Detroit Edison	15	14⅞
Diamond Shmrk	20⅛	20⅛
Dictaphone	26¾	27
Digital Equip	54⅜	55
Disney (Walt)	42¾	45⅛
Dover Corp'n	46¼	45½
Dow Chemical	27½	27¾
Dravo	26⅞	27¼
Dresser	39¼	39¼
Dupont	135¼	136½
Eagle Pitcher	22⅝	22¾
East Airlines	8⅞	9
Eastman Kodak	62¼	63⅛
Eaton	37¼	36⅞
E. G. & G	28¾	28⅞
El Paso Nat. Gas	17	17
Eltra	30⅛	30
EmersonElectric	37	37⅛
EmeryAirFreight	17¾	18
Emhart	37	36¾
E.M.I.	2⅝	2⅝
Engelhard	30⅜	30¾
Esmark	25⅞	25
Ethyl	22⅝	22¾
Exxon	51⅜	51½
FairchildCamera	31⅜	31½
Fed.Dept. Stores	32½	32⅛
Firestone Tire	13	13⅛
Fst. Nat. Boston	27¼	27⅛
Flexi Van	15⅞	15½
Flintkote	31¼	31⅛
Florida Power	32¼	32¼
Fluor	35⅜	35⅞
F.M.C.	26⅛	26
Ford Motor	41	41⅛
Foremost Mck.	19	19
Foxboro	31¾	31¾
Franklin Mint	6⅛	6
Freeport Minerals	37⅛	38
Fruehauf	28	28½
Fuqua Inds	10⅜	10⅝
G.A.F.	11⅞	11½
Gannett	41½	41¾
Gelco	28⅝	28¾
Gen. Amer. Inv.	10	10
G.A.T.X.	24½	24¼
Gen. Cable	16½	16¼
Gen. Dynamics	88¼	91
Gen. Electrics	49⅛	49⅜
Gen. Foods	35⅝	35⅛
General Mills	28⅛	28⅜
General Motors	58	58¼
Gen. Pub Util	18	17⅞
Gen. Signal	28¼	28¼
Gen. Tel. Elect.	29⅝	30¼
Gen. Tire	25⅞	25¾
Genesco	5	4½
Georgia Pacific	29	28¼
Geosource	30⅛	30⅜
Getty Oil	38½	39⅛
Gillette	26½	25⅞
Goodrich B. F.	18⅛	18⅛
Goodyear Tire	18⅜	18⅜
Gould	28	28⅛
Grace W.R.	26¾	26⅞
Grt.AtlanPacTea	7	7⅛
Grt. North Iron	27⅛	27
Greyhound	12¼	12⅜
Gulf & Western	14½	14⅜
Gulf Oil	24⅝	24⅞
Halliburton	62	62⅝
Hanna Mining	35⅜	35⅜
Harnischfeger	14½	14½
Harris Corpn	30⅞	31⅜
Heinz H. J.	41¼	41¼
Heublein	30⅞	31⅜
Hewlett Packard	87⅛	89
Holiday Inns	18⅜	18⅞
Homestake	35	33⅜
Honeywell	70¼	73
Hoover	11	11
Hosp.Corp. Amer	30	30⅜
Houston Nat.Gas	26⅛	25
Hunt (Ph.A) Chm	14¼	14⅛
Hutton (E.F.)	17½	17⅛
I.C. Industries	27⅜	26⅛
INA	42	42⅜
Ingersoll Rand	50½	50½
Inland Steel	38¼	38⅛
Insilco	12⅜	12⅜
IBM	312.1	311.6
Itnl. Flavour	24	24¼
Intl. Harvester	37¾	38⅛
Intl. Min & Chem	39¾	39¼
Intl. Multifoods	19⅛	19⅞
Inco	18⅛	18¼
Intl. Paper	41¼	42½
Intl. Rectifier	11½	11½
Intl. Tel & Tel.	29	29⅛
Iowa Beef	46	45⅜
IU International	10⅝	10¾
Jim Walter	28	28
Johns Manville	24⅝	24⅝
Johnson Johnson	76⅝	76⅞
Johnson Control	28⅞	28¼
Joy Manufacturg	30⅞	31⅛
K. Mar Corp	24¼	24½
Kaiser Alumini'm	18¾	19⅛
Kaiser Industries	2¼	2¼
Kaiser Steel	22¾	23⅜
Kaneb Services	14⅝	15
Kay	14¼	15⅞
Kennecott	22⅝	22⅞
Kerr McGee	47¼	47¼
Kidde Walter	30⅛	30⅛
Kimberley Clark	44½	44¾
Koppers	20½	20½
Kraft	46⅞	47⅛
Kroger Co	38	38¼
Leaseway Trans.	21⅝	21⅜
Levi Strauss	42⅛	42¼
Libby Ow. Ford	25⅛	25
Liggett Group	37	37¼
Lilly (Eli)	51¾	51
Litton Industries	20¾	21¾
Lockh'ed Aircrft	22⅜	22
Lone Star Ind'sts	22⅛	22⅛
Long Isl'nd Ltd	18⅛	17¾
Louisiana Land	24⅜	24¼
Lubrizo	48	48¼
Lucky Stores	14⅞	14⅞
Lykes Corpn	6½	—
MacMillan	11½	12
Macy R.H	36½	35⅝
Mfts. Hanover	32½	32⅜
Mapco	26¼	26¾
Marathon Oil	58¼	58⅜
Marine Midland	15⅛	15⅜
Marshall Field	17	17
May Dept. Stores	26	26
MCA	45¼	46
McDermott	22⅛	22
McDonnell Doug.	33⅝	33⅞
McGraw Hill	31¾	31¾
Memorex	33	33
Merck	68⅜	68¾
Merrill Lynch	17⅝	17¾
Mesa Petroleum	34¾	35⅜
MGM	43	43
Minn Ming & Mtg	65	63⅞
Mobil Corpn.	73¼	73¾
Monsanto	50¾	51⅛
Morgan J. P.	47⅜	48¼
Motorola	39¾	39½
Murphy Oil	44⅜	44⅜
Nabisco	24¾	25⅛
Nalco Chemicals	26¾	26⅜
National Can	19⅝	19⅝
Nat. Distillers	20½	20⅝
Nat. Service Ind.	15⅝	15⅝
National Steel	33	33
Natomas	46⅝	47⅜
NCR	66⅞	69
New England E.	22¾	22⅝
New England Te	35¾	35¾
Niagara Mohawk	15	14⅞
Niagara Share	10¼	10⅜
N. L. Industries	21⅛	21⅜
Norfolk & West'n	25	25
North Nat. Gas	36	35⅞
Nthn. States Pwr	24½	24½
Nthwest Airliner	29⅛	30¼
Nthw'st Bancorp	26⅜	26⅜
Norton Simon	17	17
Occident'l Petrol	18¾	18¾
Ogilvy Mather	24	24¼
Ohio Edison	16⅜	16¼
Olin	18⅜	18½
Overseas Ship	23⅛	24
Owens Corning	26⅝	26⅝
Owens Illinois	19⅜	19⅞
Pacific Gas	24⅜	24¼
Pacific Lighting	20¾	21⅛
Pan Pwr. & Ltg.	21⅛	21
Pan Am World Air	6⅞	6⅞
Parker Hannifin	25⅞	25¾
Peabody Intl.	23¼	23¼
Penn Pw. & L.	20½	20⅝
Penney J. C.	31⅞	31⅜
Pennzoil	35⅝	34
Peoples Drug	11⅜	11¼
Peoples Gas	33⅞	33¾
Pepsico	25½	25⅝
Perkin Elmer	30½	30¾
Pfizer	32	32½
Phelps Dodge	25½	25¼
Philadelphia Ele.	17⅜	17⅜
Philip Morris	69¼	70
Phillips Petro'm.	32¼	32⅝
Pilsbury	35	35⅞
Pitney-Bowes	25⅞	26
Pittston	19¼	19½
Plessey Ltd ADR.	20⅞	20¾
Polaroid	53¼	54⅞
Potamac Elec.	14	14¼
PPG Industries	27¾	27⅞
Proctor Gamble	86⅛	86¼
Pub. Ter. Elect	22⅜	22⅝
Pullman	34½	35
Purex	16⅝	16⅞
Quaker Oats	24¾	25⅛
Rapid American	15¼	15⅜
Ratheon	50	50½
RCA	27	27
Republic Steel	26⅞	26¾
Resorts Intl.	31¾	32⅜
Revlon	51½	52½
Reynolds Metals	37½	37½
Reynolds R.J.	59	58⅞
Rich'son Merrell	24	24
Rockwell Inter	37⅜	37⅜
Rohm & Haas	37⅛	37¼
Royal Dutch	63¾	63¾
RTB	12⅛	12⅛
Ross Togs	10¼	10⅜
Ryder System	24¼	24¼
Safeway Stores	42⅝	42⅞
St. Joe Minerals	25¾	25⅞
St. Regis Paper	31⅞	31⅞
Santa Fe Inds	32¾	32¾
Saul Invest	7⅜	7½
Saxon Inds	5⅛	5½
Schlitz Brewing	10½	10
Schlumberger	87⅛	87⅜
SCM	19¾	20
Scott Paper	17⅛	17⅛
Scovil Mrg	19	19
Scudder Duo Cap	8¾	8⅜
Sea Container	24½	24⅜
Seagram	28¾	28⅝
Searle (G.D.)	13	12¾
Sears Roebuck	21⅛	21½
SEDCO	29½	30⅜
Shell Oil	32⅞	33
Shell Transport	44⅝	44⅜
Signal	26⅜	26½
Signode Corp.	32	32
Simplicity-Pat	10⅞	10⅜
Singer	14⅞	14⅞
Smith Inter.	46	45
Smith Kline	89⅞	91
Solitron	3⅝	3⅝
Southdown	37½	37⅝
Southern Cal.Ed.	26¾	26¾
Southern Co.	14¼	14⅜
Southern Nat Res	33	33⅛
Southern Pacific	28⅜	28¼
Southern Railw'y	50	49¾
Southlam	28⅛	28¾
S'w't Banshares	25¼	25
Sperry Hutch	15	15
Sperry Rand	46⅞	48⅛
Squibb	31½	31⅜
Standard Brand	26	26½
Std.Oil California	47½	47⅛
Std. Oil Indiana	57¾	58
Std. Oil Ohio	45⅝	46⅛
Stauff Chemical	42¼	41⅞
Sterling Drug	16½	16⅞
Studebaker	30⅜	31¼
Sun Co.	42¾	42⅞
Sundstrand	24	25⅛
Syntex	36¾	37¾
Technicolor	12¾	12¾
Tektronix	52⅛	53¼
Teledyne	119⅞	123⅜
Telex	6¼	6¼
Teneco	31⅜	31⅛
Tesoro Petr'leum	9⅛	9⅜
Texaco	25¾	25⅝
Texasgulf	25⅛	25⅛
Texas Eastern	40¼	40⅜
Texas Inst'm	86¾	86¾
Texas Oil & Gas	35¼	35¼
Texas Utilities	19⅜	19¾
Times Inds	42⅜	42⅞
Times Mirror	33⅛	33¼
Timken	53¼	54¼
Trane	41¾	45
Tran. America	17¼	17¼
Transco	23	23¾
Tran. Union	30½	30
Tran-way Intrn	22¾	22⅛
TWCorp	16⅞	17⅛
Traveers	36¾	37⅛
Tri-Continental	17¾	18
Triton Oil & Gas	4¾	4⅝
TRW	36⅜	36½
20th CenturyFox	34¾	35
U.A.L.	28⅞	29¾
UARCO	51½	51¾
UGI	18⅜	17¾
Unilever	40¾	40¾
Unilever NV	61⅞	62
Union Bancorp	29⅛	29⅝
Union Carbide	36¼	36½
UnionCommerce	9⅜	9
Union Oil Calif.	57¾	58
Union Pacific	56⅜	56⅜
Uniroyal	7⅞	7⅞
United Brands	10⅝	10⅝
US Bancorp	29¾	30
US Gypsum	27⅜	27⅛
US Shoe	22⅞	23
US Steel	25⅜	25⅜
UtdTechnologies	39½	38⅞
UV Industries	29⅞	29⅞
Virginia Elect.	14⅜	14⅝
Wagreen	27⅛	27½
Wallace-Murray	21	20¾
Warner-Commn.	47⅜	46⅞
Warner-Lambert	25⅞	26
Waste-Man'ment	28¾	28¾
Wells-Fargo	29	29¼
Weston Bancort	27	27
Western N.Amer.	24¾	24½
Western Union	15⅝	16
Westing'he Elec.	18¾	19⅛
Weyerhaeuser	30¼	30⅜
Whirlpool	18⅜	18¼
White Con. Ind	19⅝	19¾
William Co.	18⅛	17½
Wisconsin Elect.	26⅝	26⅝
Woolworth	20⅝	20¼
Wyly	5	5
Xerox	59	59½
Zapata	13⅛	13
Zenith Radio	14½	14½
U.S. Treas.4% '80	†94¾	†94¾
USTreas4¼%75/85	†78½	†78½
U.S. 90-day bills	9.27%	9.31%

CANADA

Stock	Jan. 30	Jan. 29
Abitibi Paper	18	18⅛
Agnico Eagle	6½	6¾
Alcan Aluminium	44¼	44⅝
Algoma Steel	28½	28¼
Asbestos	45½	†46
Bank of Montreal	26¾	27¼
Bank NovaScotia	24⅝	25
Basic Resources	6.37	6.50
Bell Telephone	63⅜	63½
Bow Valley Ind	22½	23¼
BP Canada	22½	23⅛
Brascan	18⅞	19
Brinco	7	†7
Calgary Power	40½	40¾
Camflo Mines	14¼	14½
Canada Cement	12⅛	12
Canada NW Lan.	10⅛	10¼
Can.Imp.Bk.Com	30½	31⅛
Canada Indust	21⅜	†21¼
Can. Pacific	24⅞	25
Can. Pacific Inv.	24¼	24⅜
Can. Super Oil	75	†75
Carling O'Keefe	4.90	4.90
Cassiar Asbestos	9⅞	10⅛
Chieftain	29⅝	30
Cominco	35⅛	35¼
Cons. Bathurst	13¼	13¼
Consumer Gas	19⅛	19⅛
Coseka Resource	6⅛	6⅜
Costain	12½	12½
Daon Devel	16⅛	16⅜
Denison Mine	81	82
Dome Mine	95	96½
Dome Petroleum	98¾	100¼
Dominion Bridge	30¾	†30⅜
Domtar	25⅛	25
Dupont	†17¾	18⅛
Falcon'ge Nickel	35	34¼
Ford Motor Can.	70½	†69
Genstar	38⅞	39
GiantYell'wknife	11¼	11¼
GulfOilof Canada	30	30
Hawker Sid. Can.	10	10⅛
Hollinger	43⅛	43
Home Oil 'A'	44½	45
Hudson Bay Mng.	23¾	22½
Hudson Bay	22⅜	21⅞
Hudson Oil & Gas	59	59½
I.A.C.	18	18
Imasco(Com.Stk)	37¾	37¾
Imperial Oil	28⅞	29⅜
Inco	21¾	21¾
Indal	14½	14½
Inland Nat. Gas	11⅜	11⅛
Int'p.v. Pipe Line	18	18⅛
Kaiser Resource	16¼	16⅜
Lauri Fin. Corp.	10⅜	10⅜
Loblaw Com. 'B'	4.55	4.65
McMill'n Bloed'l	25⅜	25¾
MasseyFerguson	10⅞	11⅛
McIntyre	28	28
Moore Corpn	35⅝	35⅝
Mountain State R	5.75	5.75
Noranda Mine	41½	40⅞
Norcen Energy	17	18⅜
Nth. Telecom	43	†44
Numac Oil & Gas	26⅛	27¾
OakwoodPetro'p	4.90	4.95
Pacific Copper M	†1.75	1.80
Pacific Petrol'm	64⅞	64⅞
Pan CanPetrol'm	40¾	41⅜
Patino	19¼	†19
Peoples Dept. S.	7⅞	8
Place Gas & Oil	2.53	2.55
Placer Develop't	28¼	29
Power C'porat'n	22¼	22⅛
QuebecSturgeon	1.45	1.45
Ranger Oil	16¾	16¾
Reed Stenhouse	10½	10½
Rio Algom	38⅝	38¾
Royal Bk. of Can.	41½	42⅜
Royal Trustco	18⅜	18¼
Sceptre Res'urce	8⅞	9⅜
Seagram	34½	35¼
Shell Canada	17	17⅛
Sherritt G. Mines	†9⅞	10⅛
Simpson	2.35	2.40
Steel of Canada	29½	29⅞
Steep Rock Iron	4.40	4.55
Teck Corpn. 'B'	11¾	11⅞
Texaco Canada	48¾	49
Toronto Dom.Bk.	23⅛	23¼
TransCanPipeLn	18⅜	18⅝
Trans Mount Opt	9¼	9⅜
Trizec	†15¾	†15½
Union Gas	10⅜	10⅜
UntdSiscoe Mnes	9½	9⅝
Walker Hiram	43⅝	44⅜
West Coast Trans	11¾	12
Weston (Geo.)	23¼	23⅛

† Bid. ‡ Asked. § Traded. ¶ New stock.

GERMANY ◆

Jan. 31	Price DM.	+ or —	Div. %	Yld. %
AEG	69	+0.1	—	—
Allianz Versich.	504	+4	31.2	3.1
BMW	239	—1.5	28.12	6.0
BASF	136.5	+0.5	18.75	6.9
Bayer	136.7	+0.2	18.75	6.8
Bayer.Hypo	287.5	—4	28.12	4.9
Bay. Vereinsbk.	305	—2	28.12	4.7
Commerzbank	213.2	—2.8	26.56	6.1
Conti Gummi	66	—1.8	—	—
Daimler-Benz	323.2	—2.8	28.12	4.5
Degussa	245	—1	26.56	5.4
Demag	171.5	—1	17.18	10.0
Deutsche Bank	291.5	—1.9	28.12	4.9
Dresdner Bank	231	—1.4	28.12	6.1
Dyckerhoffze't	182	—6	9.38	2.5
Gutehoffnung	259.5	—1	18.28	3.6
Hapag Lloyd	104.8	+1.8	14.06	6.8
Harpener	152	.....	15.62	5.1
Hoechst	135.1	—0.2	18.75	6.9
Hoesch	46	—0.1	—	—
Horten	157.5	—1.5	9.36	3.0
Kali und Salz	153	+2	14.04	4.6
Karstadt	334.5	+0.5	23.44	3.6
Kaufhof	251.2	—0.8	18.75	3.6
Klockner DM.100	86.6	—0.9	—	—
KHD	215	—2.2	18.75	4.4
Krupp DM.100	93	+2.5	—	—
Linde	301	—0.5	25	4.2
Lo'brau DM.100	1,550	.....	25	8.1
Lufthansa	99	+1.5	9.38	4.7
M.A.N.	233	+1.5	18.78	4.0
Mannesmann	172	+0.5	17.18	5.0
Metallges	272	+1	15.62	2.9
Munchener Rck	705	—5	28.12	2.0
Neckermann	175.5	+0.5	—	—
Preuss'gDM100	185.5	+3.2	—	—
RheinWestElect	181.5	.....	25	6.9
Schering	251	+0.5	28.12	5.6
Siemens	270	+0.2	25	4.6
Sud Zucker	247	—2	17.96	3.6
Thyssen A.G.	110.5	+0.4	17.18	7.7
Varta	184	.....	16.18	4.6
VEBA	138.5	+1.5	9.38	3.4
Vereins&W'stBk	295	.....	28.12	4.9
Volkswagen	249.7	—0.1	25	5.0

AMSTERDAM

Jan. 31	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	121.5	.....	s18	4.6
Akzo (Fl.20)	30.3	.....	—	—
Alg'm Bk (Fl 100)	371.5	—0.5	A23¼	6.4
AMEV (Fl.10)	93	—1.3	50	5.3
Amrob'k (Fl.20)	78.9	.....	A23¼	5.9
Bijenkorf	92.8	.....	26	5.6
BokaW'stm(Fl20)	128.5	.....	s80	6.2
Buhrm' Tetter'	77	.....	26	6.8
Elsevier (Fl20)	294.5	—0.5	27.5	1.9
Ennia N.V. B'rer	145.5	+1.0	A37½	5.2
EurComTst(Fl10)	72.7	+0.6	94.5	4.7
Gistal Br'cad (Fl)	40.3	+0.1	20	5.0
Heineken (Fl25)	94	+0.5	14	3.7
Hoog'ns (Fl.20)	33.4	+0.3	—	—
HunterD.(Fl.100)	22.8	—0.3	1.2	5.3
K.L.M. (Fl.100)	115.0	—1.0	s3	2.6
Int. Muller Fl.20	47.5	—0.4	19	8.0
Nat.Ned InsFl10	112.0	+0.3	48	4.3
NedCr'dBkFl.20	58.1	—0.7	21	7.2
NedMidBk(Fl.70	212.0	—1	22	5.3
Oce (Fl.20)	180.0	+0.4	36	4.0
OGEM (Fl.10)	30.5	+0.4	23	7.5
Van Ommeren	169.2	—1.8	—	—
Pakhoed (Fl.20)	47.0	.....	—	—
Philips (Fl.10)	24.1	+0.1	17	7.1
RijnSchVer(Fl100	49.6	+2.0	—	—
Robeco (Fl.50)	167.5	—0.5	25.6	7.6
Rolinco (Fl.50)	130.5	.....	s	—
Rorento (Fl.50)	122.3	—0.2	s19.5	3.8
RoyalDutchFl20	129	+1.3	53.75	8.3
Slavenburg	259	.....	20	7.7
TokyoPac Hlds$	129	.....	$0.30	0.6
Unilever (Fl.20)	124.4	+0.6	42.8	6.9
Viking Res.	41.2	+0.2	$0.20	1.2
West.Utr. Hypok	434	+1.5	33	3.7

COPENHAGEN ♣

Jan. 31	Price Kroner	+ or —	Div. %	Yld. %
Andelsbanken	145½	+½	11	7.5
Danske Bank	129	—¾	12	9.3
East Asiatic Co.	137	+½	12	8.8
Finansbanken	139¼	+¼	13	9.3
Bryggerier	258xr	+3¼	12	4.7
For Papir	110	+4	—	—
Handelsbank	129¼	—½	12	9.3
G Nthn H (Kr90)	300½	—2½	12	3.6
Nord Kabel	186¼	—½	12	6.4
Novoind'stries B	213¾	.....	8	3.7
Oliefabrik	126¾	—¼	—	—
Privatbank	143½	—¼	12	8.4
Provinsbank	143¼	.....	11	7.6
Soph.Berensen	362	.....	12	3.3
Superfos	173¾	+1½	12	7.0

VIENNA

Jan. 31	Price %	+ or —	Div. %	Yld. %
Creditanstalt	342	.....	10	2.9
Perlmooser	270	.....	9	3.3
Selecta	560	—1	38	3.2
Semperit	68	.....	—	—
Steyr Daimler	201	.....	8	4.0
Veit Magnesit	255	+2	10	3.9

TOKYO ¶

Jan. 31	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	357	—5	14	2.0
Canon	515	+8	12	1.2
Casio	852	+2	25	1.5
Chinon	391	+3	20	2.5
Dai NipponPrint	573	+2	16	1.6
Fuji Photo	745	—2	15	1.0
Hitachi	280	—2	12	2.1
Honda Motors	505	.....	18	1.8
House Food	1,030	—10	35	1.7
C. Itoh	280	+5	12	2.1
Ito Yokado	1,780	+10	30	0.8
Jacco	780	+2	15	0.8
J.A.L.	2,950	+60	—	—
Kansai Elect.Pw	1,220	.....	10	0.4
Komatsu	378	.....	18	2.4
Kubota	285	.....	15	2.6
Kyoto-Ceramic	4,160	+160	35	0.4
Matsushita Ind.	705	+9	20	1.4
Mitsubishi Bank	333	—3	10	1.5
Mitsubishi He'vy	135	+1	12	4.4
Mitsubishi Corp	455	—5	15	1.6
Mitsui & Co.	282	+1	14	2.5
Mitsukoshi	555	—5	20	1.8
Nippon Denso	1,410	.....	15	0.5
Nippon Shinpan	770	—5	12	0.8
Nissan Motors	686	+2	16	1.2
Pioneer	2,030	+20	48	1.2
Sanyo Electric	307	—1	12	1.9
Sekisui Prefab	832	+3	30	1.8
Shiseido	1,160	—10	20	0.9
Sony	1,670	—20	40	1.2
Taisho Marine	250	—3	11	2.2
Takeda Chem	540	+3	15	1.4
TDK	1,850	—30	30	0.8
Teijin	149	—3	10	3.3
Tokyo Marine	510	—1	11	1.1
TokyoElect Pow	1,090	—10	8	3.7
Tokyo Sanyo	384	+6	12	1.6
Toray	195	+1	10	2.6
Toshiba Corp	161	—2	10	3.1
Toyota Motor	855	—2	20	1.2

Source Nikko Securities, Tokyo

BRUSSELS/LUXEMBOURG

Jan. 31	Price Frs.	+ or —	Div. Frs. Net	Yld. %
Arbed	2,365	+30	—	—
Bekaert "B"	2,600	+25	116	4.5
C.B.R. Cement	1,130	.....	100	8.8
Cockerill	530	+5	—	—
EBES	2,480	—5	177	7.1
Electrobell	6,850	+50	455	6.6
Fabrique Nat.	3,460	+40	100	4.9
G.B. Inno Bm.	2,610	+15	150	5.8
Gevaert	1,378	—8	85	6.2
GBL (Brux L)	1,770	+20	90	5.0
Hoboken	2,920	+45	170	5.9
Intercom.	2,010	—10	142	7.1
Kredietbank	7,230	+30	290	3.9
La Royale Belge	6,350	+40	s325	5.1
Pan Holdings	2,700	.....	52.35	2.9
Petrofina	3,560	+25	180	5.1
Soc Gen Banque	3,400	+10	204	6.0
Soc. Gen. Belge	2,150	+10	140	6.7
Sofina	3,500	—5	215	6.2
Solvay	2,540	+30	A2.10	8.3
Traction Elect.	2,820	+25	170	6.0
UCB	1,200	+18	—	—
Un Min. (1/10)	764	—10	60	6.5
Vieille M'ntagne	1,950	+50	—	—

SWITZERLAND ⊕

Jan. 31	Price Frs.	+ or —	Div. %	Yld. %
Aluminium	1,355	—10	8	2.9
BBC 'A'	1,790	.....	10	2.8
CibaGeigyFr100	1,280	—20	22	1.3
Do. Part Cert.	1,020	—30	22	2.2
Do. Reg.	698	—2	22	3.2
Credit Suisse	2,365	+15	16	3.4
Electrowatt	2,000	—10	10	2.5
Fischer (Georg)	645	.....	5	3.9
HoffmanPtCert.	80,000	+1,000	1100	1.4
Do. (Small)	7,900	.....	110	1.4
Interfood B	4,525	—25	21	2.4
Jelmoli (Fr.100)	1,500	+25	21	1.4
Nestle (Fr. 100)	3,590	—5	s86.5	2.4
Do. Reg.	2,435	—15	s86.7	3.6
Oerlikon B(F250	2,670	.....	15	1.4
PirelliSIP(F100)	300	.....	15	5.0
Sandoz (F.250)	4,050	—150	26	1.6
Do. Part Certs	520	.....	26	2.5
Schind'rCtF100	345	+15	12	3.6
Sulzer Ct(F.100)	327	+4	14	4.3
Swissair (F.350)	858	.....	10	4.1
Sw.Bk.Cp(F100)	399	+1	10	2.5
Sw.Reins.(F250)	5,250	+125	40	1.9
Union Bank	3,340	+40	20	3.0
Zurich Ins.	12,450	+50	44	1.8

MILAN

Jan. 31	Price Lire	+ or —	Div. Lire	Yld. %
ANIC	35.00	+0.25	—	—
Bastogi	519	—2.5	—	—
Fiat	2,825	+14	150	5.3
Do. Priv.	2,231	—1	150	6.7
Finsider	172.75	—1.25	—	—
Italcementi	24,300	—160	600	2.5
Italsider	384	+3	—	—
Mediobanca	32,225	—70	1,200	3.7
Montedison	191.75	+0.25	—	—
Olivetti Priv	1,185	+2	—	—
Pirelli & Co.	1,820	+17	130	7.1
Pirelli Spa	898	+4	80	9.0
Snia Viscosa	845	+13	—	—

Indices

NEW YORK—DOW JONES

	Jan. 30	Jan. 29	Jan. 26	Jan. 25	Jan. 24	Jan. 23	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	851.78	855.77	859.75	854.64	848.41	846.65	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.19	85.24	85.04	84.88	84.45	84.45	90.66 (3/1/78)	84.89 (12/1/79)	—	—
Transport	216.88	217.81	218.74	218.35	217.33	217.88	261.49 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	104.67	104.50	104.08	103.52	102.67	102.77	110.98 (5/1)	97.73 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	26,910	24,240	34,250	31,440	31,181	30,180	—	—	—	—

◆ Day's high 851.83 low 848.75

	Jan. 26	Jan. 19	Jan. 12	Year ago (approx)
Ind. div. yield %	5.66	5.61	5.60	6.02

STANDARD AND POORS

	Jan. 30	Jan. 29	Jan. 26	Jan. 25	Jan. 24	Jan. 23	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
‡Indust'ls	112.70	113.29	113.64	112.82	111.82	112.71	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	101.06	101.55	101.86	101.19	100.16	101.05	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Jan. 24	Jan. 17	Jan. 10	Year ago (approx.)
Ind. div. yield %	4.96	4.97	4.91	5.15
Ind. P/E Ratio	9.06	9.01	8.93	8.74
Long Gov. Bond Yield	8.91	8.97	8.98	8.17

N.Y.S.E. ALL COMMON

Jan. 30	Jan. 29	Jan. 26	Jan. 25	1978-79 High	1978-79 Low
56.60	56.85	56.99	56.62	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Jan. 30	Jan. 29	Jan. 26
Issues Traded	1,868	1,903	1,881
Rises	593	686	950
Falls	805	799	520
Unchanged	470	418	411
New Highs	29	39	51
New Lows	6	8	8

MONTREAL	Jan. 30	Jan. 29	Jan. 26	Jan. 25	1978-79 High	1978-79 Low
Industrial	250.38	252.44	252.26	251.57	252.44 (29/1/79)	152.80 (16/2)
Combined	255.35	257.05	256.67	255.73	257.05 (29/1/79)	170.62 (30/1)
TORONTO Composite	1372.8	1382.4	1379.5	1378.4	1382.4 (29/1/79)	998.2 (30/1)
JOHANNESBURG Gold	272.5	275.3	274.3	(c)	275.3 (29/1/79)	186.0 (20/4)
JOHANNESBURG Industrial	300.7	300.8	299.3	(c)	300.8 (29/1/79)	194.9 (13/3)

	Jan. 31	Pre-vious	1978-9 High	1978-9 Low
Australia(¶)	567.41	568.96	573.12 (25/1/79)	411.19 (1/3)
Belgium (‖)	103.65	103.10	103.65 (31/1/79)	91.45 (23/6)
Denmark (**)	92.14	91.98	98.95 (14/6)	88.08 (30/10)
France (††)	76.7	77.2	83.0 (4/10)	47.6 (3/2)
Germany(‡‡)	819.7	821.1	863.3 (19/10)	759.4 (17/5)
Holland (§§)	84.6	84.5	93.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	(c)	(c)	707.70 (4/9)	383.4 (13/4)
Italy (‖‖)	(c)	71.93	82.25 (25/9)	55.45 (10/1)
Japan (a)	462.97	461.85	462.97 (31/1/79)	364.04 (4/1)
Singapore(b)	372.36	(c)	414.50 (8/9)	252.0 (9/1)
Spain (d)	94.76	93.21	93.79 (2/1/79)	93.05 (2/1/79)
Sweden (e)	382.60	380.69	408.00 (4/8)	325.74 (3/1)
Switzerld (f)	319.6	310.6	323.7 (14/3)	261.4 (25/9)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Ralston Purina	557,400	12⅞	—⅛
Gardner-Denver	389,500	29½	+½
Georgia-Pacific	302,800	29	+⅛
Boeing	288,800	76⅞	—1⅝
Gulf Oil	287,700	24⅞	—⅛
USLIFE	252,000	21⅝	+⅛
Intnl. Paper	250,700	41⅛	—1⅛
Hughes Tool	227,000	42¼xd	—½
Texaco	213,600	25¼	—
Bally Mfg.	212,400	58½	—1⅞

AUSTRALIA

Jan. 31	Aust. $	+ or —
ACMIL (25 cents)	†0.70	.....
Acrow Australia	†1.05	.....
AMATIL $1	†2.37	.....
Ampol Exploration	‡1.44	+0.04
Ampol Petroleum	†0.75	+0.01
Assoc. Minerals	†1.64	+0.06
Assoc. Pulp Paper $1	†2.37	+0.12
Assoc.Con.Industries	†1.84	+0.02
A.N.I.	†1.80	.....
Audimco	†0.60	.....
Aust. Oil & Gas	†0.88	—0.02
Bamboo Creek Gold	†0.15	.....
Blue Metal Ind.	†1.02	.....
Boral	†2.30	—0.02
Bougainville Copper	†1.80	—0.01
Brambles Ind'ries	†1.80	.....
Broken Hill Proprietary	†9.42	—0.04
BH South	†1.56	—0.02
Carlton United Brewery	†1.80	—0.01
CSR ($1)	†3.52	—0.05
Cockburn Cement	‡1.35	.....
Coles (G.J.)	†2.30	—0.01
Cons. Goldfields Aust.	†3.60	.....
Container ($1)	†2.80	.....
Conzinc Riotinto	†5.50	.....
Costain Australia	†1.40	.....
Dunlop Rubber (50 cent)	†0.88	—0.02
ESCOR	†0.98	+0.01
Elder-Smith	†2.88	.....
Endeavour Resources	†0.22	.....
E.Z. Industries	†3.40	.....
Gen. Property Trust	†1.66	+0.01
Hamersley	†2.28	+0.01
Hooker	†0.89	.....
ICI Australia	†2.32	+0.02
Inter Copper	‡0.30	.....
Jennings Industries	†0.89	—0.01
Jones (David)	†1.24	—0.02
Lennard Oil	†0.24	.....
Metals Exploration	†0.37	.....
Metramar Minerals	†0.11	—0.01
MIM Holdings	†3.00	—0.01
Myers Emporium	†1.88	+0.01
News	†2.58	+0.05
Nicholas International	†1.00	—0.03
N. Broken H'dings (50c)	†1.46	.....
Oakbridge	†1.56	+0.06
Oil Search	†0.12	.....
Otter Exploration	†0.33	—0.01
Pioneer Concrete	†1.49	+0.01
Reckitt & Colman	†2.75	.....
H.C. Sleigh	†0.65	—0.01
Southland Mining	†0.28	—0.02
Spargos Exploration	†0.46	.....
Tooths ($)	†1.83	+0.02
Waltons	†0.76	+0.01
Western Mining (50c)	†1.89	.....
Woolworths	†1.63	+0.02

PARIS

Jan. 31	Price Frs.	+ or —	Div. Frs.	Yld. %
Rente 4½	752	+2	4½	0.6
Afrique Occ'd'l	388	—1.5	24.75	6.4
Air Liquide	390	—11	16.5	4.2
Aquitaine	555	+6	28.25	4.7
BIC	601	—7	13.95	2.3
Bouygues	861	—17	42	4.9
B.S.N. Gervais	618	—10	40.5	7.8
Carrefour	1,858	—15	75	4.0
C.G.E.	395	—10	31.5	8.0
C.I.T. Alcatel	1,028	—27	70.25	6.8
Cie Bancaire	445	—4	12	2.7
Club Mediter	494	—4	7.5	1.5
Cr'dit C'm.Fr'ce	137.5	+0.3	12	8.7
Creusot Loire	59.6	—0.4	—	—
Dumez	617	—6	33.75	5.4
Fr. Petroles	142	—4	14.1	9.9
Gen. Occid'nt'le	251.5	—0.5	10.5	4.2
Imetal	61.8	—0.5	5.7	9.2
Jacques Borel	116.5	—2.2	—	—
Lafarge	260	—3	16.77	6.4
L'Oreal	750	—12	15.98	2.1
Legrand	1,777	—38	36.75	2.1
Maisons Pheonx	657	+8	39.5	7.5
Michelin "B"	1,050	—9	37.5	3.6
MoetHennessey	568	—5	12.6	2.2
Moulinex	139.3	—1.9	3	2.1
Paribas	214	—3	10.15	4.7
Pechiney	76.8	—0.8	7.5	9.8
Pernod Ricard	318	—6	7.5	2.3
PeugeotCitroen	399.5	—3.6	17.25	4.3
Poclain	198.5	—5.5	—	—
Radio T'chnique	439	—17	27	6.1
Redoute	540	—3	30	5.6
Rhone Poulenc	111	—2.2	9	8.1
St. Gobain	145.5	—1.5	14.55	10.0
Skis Rossignol	1,900	—40	39	2.0
Suez	288	—1	25.5	8.8
Telemecanique	830	—15	25.5	3.0
ThomsonBrandt	235	—1	15.15	6.6
Usinor	11.70	—0.05	—	—

STOCKHOLM

Jan. 31	Price Kronor	+ or —	Div. Kr.	Yld. %
AGA AB (Kr. 40)	215	.....	5	2.3
Alfa Laval(Kr.50)	148	.....	5	3.5
ASEA(Kr.50)	82	.....	5	6.1
AtlasCo'co Kr25	111	.....	6	5.5
Billerud	57	—1.5	—	—
Bofors	155	—3	4	3.0
Cardo	188	.....	5.75	3.1
Cellulosa	243	.....	10	4.1
Elet'lux'B'(Kr50)	115	.....	5.25	4.6
Erics'on'B(Kr50)	139	+2	5	4.5
Esselte (Free)	310	.....	8	2.7
Fagersta	122	—3	4	3.3
Granges (Free)	58.5	—0.5	—	—
Handelsbanken	390	+4	16	4.1
Marabou	152	.....	8	5.5
Mo Och Domsjo	85	+2	—	—
Sandvik 'B' Kr.	268	.....	5.75	2.2
S.K.F. 'B' Kr.	68.5	+1.0	4.5	6.6
Skand Enskilda	163	—5	8	4.9
Tandstik B(Kr50)	76	+3	5	6.7
Uddeholm	66	+2	y—	—
Volvo (Kr 50)	84	—1.5	6	7.1

BRAZIL

Jan. 31	Price Cruz	+ or —	Cruz Div.	Yld. %
Acesita	0.94	.....	0.12	12.76
Bancodo Brazil	1.60	—0.03	0.12	8.00
Banco Itau PN	1.35	+0.01	0.37	27.91
Belgo Mi'eira OP	1.10	.....	0.08	7.27
Lojas Amer O.P.	2.42	+0.07	0.20	8.26
Petrobras PP	1.94	+0.06	0.13	6.70
Pirelli OP	1.62	—0.01	0.16	9.87
Souza Cruz OP	1.99	—0.06	0.21	10.55
Unip PE	6.55	+0.05	0.26	3.96
ValeRioDoce PP	1.18	+0.04	0.17	14.40

Turnover: Cr.86.0m. Volume 65.4m. Source: Rio de Janeiro SE.

OSLO

Jan. 31	Price Kroner	+ or —	Div. %	Yld. %
Bergen Bank	109	.....	9	8.2
Borregaard	72.5	+1.5	—	—
Creditbank	119	+0.25	11	9.4
Kosmos	305	.....	20	6.6
Kreditkassen	117	.....	11	9.4
Norsk HydroKr5	206	—4	12	5.7
Storebrand	87.5	.....	7	8.0

JOHANNESBURG

MINES

Jan. 31	Rand	+ or —
Anglo Amer. Corpn.	7.05	—0.03
Charter Consold.	†4.40	+0.05
East Driefontein	14.70	+0.05
Elsburg	1.88	—0.04
Harmony	7.20	—0.20
Kinross	6.75	—0.05
Kloof	†12.00	—0.10
Rustenburg Platinum	2.83	—0.02
St. Helena	18.00	
Southvaal	10.30	+0.10
Gold Fields SA	31.25	
Union Corporation	8.90	+0.10
De Beers Deferred	8.90	
Blyvooruitzicht	6.40	—0.15
East Rand Pty.	6.05	+0.05
Free State Geduld	†33.00	—0.50
President Brand	18.75	+0.25
President Steyn	15.00	
Stilfontein	7.10	—0.10
Welkom	6.40	
West Driefontein	45.00	—1.00
Western Holdings	40.25	+0.25
Western Deep	18.00	

INDUSTRIALS

	Rand	+ or —
AECI	3.80	+0.07
Anglo-Amer. Indust.	†12.50	+0.05
Barlow Rand	5.35	—0.05
CNA Investments	2.05	—0.05
Currie Finance	1.05	—0.03
De Beers Industrial	14.50	
Edgars Consold. Inv.	†3.35	+0.02
Edgars Stores	41.00	—0.50
Fed. Volksbeleggings	2.15	+0.15
Greatermans Stores	3.55	+0.0
Huletts	2.25	—0.05
LTA	2.45	+0.
McCarthy Rodway	†0.82	—0.01
NedBank	3.38	+0.0
OK Bazaars	8.50	
Premier Milling	6.40	+0.0
Pretoria Cement	4.20	+0.0
Protea Holdings	1.72	+0.
Rand Mines Props.	2.40	+0.1
Rembrandt Group	4.00	
Retco	0.39	+
Sage Holdings	1.63	
SAPPI	2.70	+0
C. G. Smith Sugar	5.00	
SA Breweries	1.42	
Tiger Oats & Nat. Mlg.	12.50	
Unisec	1.27	

Securities Rand U.S.$0.67½
(Discount of 41.5%)

SPAIN ♥

Jan. 31	Per cent	
Asland	120	+ 5
Banco Bilbao	262	+ 6
Banco Central	275	+ 6
Banco Exterior	250	—
B. Granada (1,000)	134	—
Banco Hispano	226	+ 6
B. Ind. Cat. (1,000)	162	—
B. Ind. Mediterraneo	183	—
Banco Madrid	200	—
B. Santander (250)	291	+ 6
B. Urquijo (1,000)	239	+ 4
Banco Vizcaya	214	+ 6
Banco Zaragozano	215	—
Bankunion	140	—
Dragados	180	+ 8
Espanola Zinc	95	—
Fecsa (1,000)	54	+ 1.50
Gal. Preciados	40	—
Gr. Velazquez (400)	165	—
Hidrola	59.75	+ 1
Iberduero	62	+ 1.50
Petroliber	106	—
Petroleos	144	+ 3.50
Sniace	39	— 1
Sogefisa	175	—
Union Elec.	58.50	+ 1.50

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	F.370	7	12	–	—	--	--	F.371.50
ABN	F.390	2	2.50	–	—	—	—	"
AKZ	F.25	—	--	2	6.40	—	—	F.30.30
AKZ	F.30	12	2	8	3.60	-	--	"
AKZ	F.32.50	51	1	15	2.30	15	3	"
AKZ	F.35	--	--	20	1.10	10	2.10	"
ARB	F.70	--	—	2	10.40	--	—	F.78.90
CSF	F.380	-		5	23.60	--	—	F.375
CSF	F.400	5	7.60	4	14.80	4	22	"
CSF	F.440	10	1.30	—	--	—	--	"
EK	$70	2	1¼	--	–	—	—	$82⅝
FNC	$25	2	1	--	--	-	—	$24½
GOB	F.140	7	9.80	—	--	–	—	F.145.50
GOB	F.150	—	—	5	5.40	7	6.50	"
GOB	F.160	5	1	—	--	–	—	"
HO	F.40	—	-	22	1	—	--	F.33.40
KLM	F.120	24	3.80	29	7	10	9	F.115
KLM	F.130	91	1.20	10	4.50	2	6.50	"
KLM	F.140	2	0.70	28	2.70	5	4	"
KLM	F.170	--	-	50	0.70	--	—	"
NN	F.110	5	6	--	—	-	—	F.112
NN	F.120	2	1.10	--	—	—	--	"
PHI	F.22.50	261	2.20	20	3	—	--	F.24.10
PHI	F.25	10	1	165	1.40	30	1.70	"
PHI	F.27.50	78	0.20	-	—	--	—	"
PHI	F.30	1	0.10	—	--	--	—	"
PSA	F.400	—	--	—	--	1	31.30	F.399.50
PSA	F.440	3	3.10	-	—	—	—	"
RD	F.120	44	11.50	12	12.60	1	12.40	F.129
RD	F.130	—	—	7	5.10	—	—	"
		Feb.		May		August		
BA	$60	1	17	-	–	--	–	$76¾
BA	$80	11	2⅛	4	7	--	—	"
TOTAL VOLUME IN CONTRACTS						1127		

BASE LENDING RATES

A.B.N. Bank	12½%
Allied Irish Banks Ltd.	12½%
Amro Bank	12½%
American Express Bk.	12½%
A P Bank Ltd.	12½%
Henry Ansbacher	12½%
Associates Cap. Corp.	12½%
Banco de Bilbao	12½%
Bank of Credit & Cmce.	12½%
Bank of Cyprus	12½%
Bank of N.S.W.	12½%
Banque Belge Ltd.	12½%
Banque du Rhone et de la Tamise S.A.	13 %
Barclays Bank	12½%
Barnett Christie Ltd.	13½%
Bremar Holdings Ltd.	13½%
Brit. Bank of Mid. East	12½%
■ Brown Shipley	12½%
Canada Perm't Trust	12½%
Cayzer Ltd.	12½%
Cedar Holdings	12½%
■ Charterhouse Japhet	12½%
Choulartons	12½%
C. E. Coates	12½%
Consolidated Credits	12½%
Co-operative Bank	*12½%
Corinthian Securities	12½%
Credit Lyonnais	12½%
Duncan Lawrie	12½%
The Cyprus Popular Bk.	12½%
Eagil Trust	12½%
English Transcont.	12½%
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12½%
Greyhound Guaranty	12½%
Grindlays Bank	12½%
■ Guinness Mahon	12½%
■ Hambros Bank	12½%
■ Hill Samuel	§12½%
C. Hoare & Co.	†12½%
Julian S. Hodge	13½%
Hongkong & Shanghai	12½%
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12½%
Knowsley & Co. Ltd.	14½%
Lloyds Bank	12½%
London Mercantile	12½%
Edward Manson & Co.	13½%
Midland Bank	12½%
■ Samuel Montagu	12½%
■ Morgan Grenfell	12½%
National Westminster	12½%
Norwich General Trust	12½%
P. S. Refson & Co.	12½%
Rossminster	12½%
Royal Bk. Canada Tst.	12½%
Schlesinger Limited	12½%
E. S. Schwab	13½%
Security Trust Co. Ltd.	13½%
Shenley Trust	14 %
Standard Chartered	12½%
Trade Dev. Bank	12½%
Trustee Savings Bank	12½%
Twentieth Century Bk.	13½%
United Bank of Kuwait	12½%
Whiteaway Laidlaw	13 %
Williams & Glyn's	12½%
Yorkshire Bank	12½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%. 1-month deposits 10¼%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10½% and over £25,000 10¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

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Milk quotas warning to farmers

BRITISH DAIRY farmers can expect no special concessions in the European Commission's plans to attack mounting surpluses and rising expenditure on the milk sector, Mr. Graham Meadows, a Commission economist, told the Power Farming conference in Bournemouth yesterday.

And he warned that if the cost of supporting the Common Agricultural Policy, particularly dairying, got out of control, some form of quota limits on production could become a reality.

Not only milk but grain, sugar and beef were all of great concern, said Mr. Meadows, and the difficulties were aggravated by importation of New Zealand butter, Commonwealth sugar, tapioca for animal feed and soya. But action against these imports was prevented by political and GATT considerations.

Overall, though, there was no alternative to freezing prices, together with a co-responsibility levy on milk production for as long as was necessary to bring production in line with demand.

The gap between Community and world prices was widening dangerously, he said, and there was evidence that this was causing serious changes in consumer demand. For instance beef consumption was only rising by about 1 per cent annually but pork was up 3 per cent and poultry 7 per cent.

Copper prices top £900 on the London market

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES surged to new peaks on the London Metal Exchange yesterday breaking through the £900-a-tonne barrier for the first time since March 1977.

Cash wirebars closed £39 up at £904.5 a tonne and three months was £36.5 higher at £920.25.

The upsurge was triggered off by a sharp rise in the New York market overnight which brought in a wave of fresh trade and speculative buying, much of which was covering against previous "short" sales.

Further impetus was added in the afternoon by the rumour that Zaire was intending to declare force majeure on its copper shipments.

This was denied by the Zaire state metals trading company, Sozacom, but although prices came back traders were still not entirely convinced.

However, the main upward drive was provided by the same factors that have already lifted copper prices by more than £100 this month. The decline in stocks added to the acute shortage of good quality brands which are fetching substantial premiums.

It is argued that if warehouse stocks continue to decline, a nearby scarcity similar to the lead and tin markets could develop.

Already the cash price discount to the three months quotation is much smaller than it would normally be with the present high interest rates. A feature of the market yesterday was heavy "borrowing" (buying cash and selling an equivalent amount forward).

Sentiment in the market is very "bullish" at the moment, with predictions of copper reaching £1,000 a tonne at least by June and possibly much earlier. It is pointed out that the latest rise in U.S. domestic prices to 80 cents takes them to the highest level since 1974.

London brokers, Rudolf Wolff, in their annual metal review, out yesterday, summed up the present mood of the market with the prediction that higher prices will be seen as a result of the continually shrinking stock levels and acute shortages of good quality copper, and that any quickening of the global economic tempo could produce very bullish conditions.

The boom in copper also helped to push other metal prices higher yesterday. The three months lead quotation reached an all-time peak of £492.25 a tonne, £9 up on the previous close. Cash lead, which gained £6.5 to £523, is still below last week's record of £530.

Zinc values were firmer too, but aluminium prices rose sharply with the cash price jumping by £17.5 to £662 a tonne.

Silver traded at record prices. On the London bullion market the spot quotation was raised by 6.2p to 336.4p a troy ounce at the morning fixing. Values eased in the afternoon, but the cash price on the London Metal Exchange still closed 7.8p up on the previous day at 336p an ounce.

In New York, Handy and Harman, U.S. precious metal refineries, in its annual review said there will be no shortage of silver for future industrial needs and forecast that prices probably will trend moderately upward this year, barring any major unexpected developments.

The review estimated that world silver stocks fell some 15m ounces last year, to 734.4m ounces.

World consumption of silver for industrial and coinage uses combined, excluding Communist bloc countries, grew 3.1 per cent last year to 423m ounces from 410m ounces in 1977, it estimated. Coinage consumption accounted for most of the increase, rising to 35m from 23m ounces.

Total world silver supplies available for consumption increased 423m ounces from 410.1m ounces. Mine production increased 2.0 per cent last year to 265m ounces, from 259.6m. Indian exports were little changed at 27.5m ounces.

Cocoa price decline continues

By Richard Mooney

COCOA PRICES declined on the London futures market yesterday continuing the fall which was briefly interrupted by a technical rally earlier this week. May cocoa ended the day £38 lower at £1,738.5 a tonne, the lowest level since August.

Dealers said there was little fresh news to affect market sentiment. They saw the decline as a continuing reflection of the "bearish" mood of most traders resulting from increasing West African crop forecasts and disappointment at recent consumption indications.

In Geneva, Mr. John Ferriter, the American representative of the 452-nation negotiating conference warned delegates that the U.S. will take no part in a new international cocoa agreement unless it is based on "sound economic principles."

The four-week conference, which opened on Monday, is aimed at concluding a new agreement to replace the 1975 pact scheduled to expire on September 30.

As an alternative to export quotas the cocoa importing countries represented in Geneva are calling for a pact based on a buffer stock of about 250,000 tonnes. But the producers have so far shown little enthusiasm for this idea.

● On the London robusta coffee market the March position closed £42 higher at £1,411.5 a tonne reflecting continuing concern over the support buying strategy of the Central American producers.

But the expiring prompt January position collapsed as the expected rush of covering purchases failed to materialise. The last quotation was at £1,470 a tonne, down £100 on the day.

GUYANA

Turning sea shells into hard cash

BY MOHAMED HAMALUDIN IN GEORGETOWN

GUYANA IS planning to turn more than 5m tons of sea shell deposits in the north west into a multi-million dollar enterprise for the production of agricultural lime and, possibly cement.

Plans for crushing the shells and manufacturing agricultural lime have advanced furthest. The Energy and Natural Resources Ministry is about to contact foreign agencies for assistance in conducting a feasibility study, on which finance for the venture may be based.

It is officially estimated that the country has a minimum of 5.6m tons of sea shells on eight beaches.

The proven reserves have a commercial value of $Guy. 4,350m (£70m) at 1977 prices. It is estimated that Guyana could save £6m annually in foreign exchange by using them to produce lime.

Experts working on the project have proposed that mining should begin not later than 1981, while further exploration is conducted to locate deposits inland. They say the possibility of exporting lime sand should also be investigated.

A suitable mining and manufacturing method has also been chosen. It involves a hydraulic pipeline transportation system linked to a suction dredge which will transfer the shells from the beach to 500-ton barges. These will take the shells to an onshore processing plant.

However, the capacity of the processing plant and the price of the project have not yet been finalised. Officials say that this will be one of the tasks of the experts who will conduct the feasibility study.

The idea of such a project was first started in 1954, but, although it received engineering suports, it was shelved until four years ago when the need for foreign exchange and an upsurge of interest in local products for import substitution gave it a fresh impetus.

One key factor exercising the minds of the project designers is the impact of the venture on sea defences and wild life.

Dutch experts from Delft Hydraulics Laboratory, and Netherlands consultant, have concluded that the planned mining operation will have little effect on the stability of the coastline. Local experts have been satisfied that no significant erosion will take place if the shells are removed.

Most precious among the wild life which might be threatened by the venture is the green sea turtle which is alrady on the list of endangered species here.

However, Mr. N. O. Poonai, a Guyanese naturalist, after studying the problem, has come up with a plan to save the turtle. This calls for a protection service and help from inter national agencies.

Currencies cloud farm review

BY MARGARET VAN HATTEM IN BRUSSELS

THE ANNUAL wrangle over farm prices, which began formally yesterday with the EEC Commission's presentation of proposals for a price freeze in 1979-80, looks like being particularly bitter and protracted this year.

But prices have become a secondary issue. The fundamental questions raised by the prospective introduction of the European Monetary System are likely to delay discussion of prices for some time.

In retrospect, the declaration by EEC heads of government last December that introduction of the EMS "should not, of itself, result in any change" to the Common Agricultural Policy and the expression of common prices in national currencies, sounds rather like Canute trying to hold back the waves.

If the EMS succeeds in stabilising EEC currencies, and if the European currency unit—in which the Deutsche Mark has a smaller weighting than in the present unit of account—is applied to farm prices, the "stronger" currency countries will lose the locomotive force which for the past five years has dragged EEC farm prices up with the appreciating German currency. They will lose a great deal more if, at the same time, Monetary Compensatory amounts are phased out.

The growth of MCAs—the subsidies and levies which neutralise the impact of currency fluctuations on national farm prices—has made farming disproportionately profitable in Germany and, to a lesser extent the Benelux countries, and disproportionately unprofitable in depreciating currency countries such as France and Britain.

Dismantling this system would trigger off a burst of production in France, Britain and Ireland — all producers of surplus commodities — while forcing many farmers in the strong currency countries out of business.

This is precisely what France is pushing for, and Germany is determined to resist at all cost.

The monetary measures included in the prices' package appear designed to postpone the real fight in the interests of getting a settlement and clearing the way for the EMS. The proposed price freeze should appease Britain: "Green" currency changes may satisfy France — the proposal to leave existing German MCAs untouched for the time being is probably the best the Commission can offer Herr Ertl.

If this does not satisfy them and they insist on trying to settle the issue before going ahead with EMS, all major areas of EEC policy are likely to get tangled up. This will leave all the players in the Euro-Monopoly game stuck behind "go."

EEC sugar exports lower

By Our Commodities Staff

THE EEC Commission yesterday authorised the export of 49,250 tonnes of white sugar at its weekly tender compared with 56,000 tonnes last week. The maximum rebate on white sugar was cut from 26.329 units of account.

At the same time the Commission granted rebates on 15,000 tonnes of raw sugar. This is the first time for nine weeks that raw exports have been authorised.

On the London futures market sugar values moved higher following Tuesday's reversal of the recent downtrend. But dealers noted tha the buying was well matched by trade selling and profit-taking.

French crops hit by frosts

BY CHRISTOPHER PARKES

SEVERE FROSTS in the Paris Basin region of France have raised fears that extensive areas of autumn-planted grain and oilseed rape may have been killed.

As a safeguard, farmers, co-operatives and the French Government have been buying in stocks of barley seed to plant this spring should the worst fears be realised.

So far, it is estimated, 10,000 tonnes of seed have been bought as a stand-by: enough to replant 160,000 acres.

British suppliers have been among the first to benefit from the French action. One leading South Coast shipper said yesterday that sales across the Channel in the past few days had "saved my skin."

Seed prices in Britain have been depressed recently because of over-supply, but the French interest has pushed them up by about £10 a tonne, one company said.

Earlier this month the area between Chartres and Lille in Northern France was struck by 20 degrees of frost.

Since there was no snow on the ground when the cold spell was at its worst, and the growing crops in the region were fully exposed to the weather, farmers are afraid that many young plants may have been killed and that large acreages may have to be ploughed up and replanted.

Snow usually acts as effective insulation cover for young plants. However, since the crops are now under snow, growers have no clear idea of how bad the damage is.

The Government is clearly concerned because it has allowed the importation of types of seed not normally permitted to ensure that farmers have sufficient reserves.

British seed exports to France, negligible in normal years, may now reach 10,000 tonnes this year, according to officials at the National Seed Development Organisation, a Government-backed company.

Although the weather in Britain has been unusually severe, crops in the main grain growing regions here are not thought to have suffered badly and heavy home demand for seed for spring replanting is not expected.

Coal miners set record

MINERS AT Shirebrook colliery near Chesterfield, Derbyshire, had yesterday produced 1m tonnes of coal since the beginning of the year, a record for the colliery.

A cave-in has held up drilling of a test borehole by the National Coal Board at Gimmingham, Norfolk.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Surged ahead in hectic trading on the London Metal Exchange. Forward metal opened at £898 and quickly moved up to £918 in the rings, reflecting short-covering and heavy speculative demand following the strong overnight performance on Comex. Also influencing the rise was heavy borrowing and the scarcity of lenders. At these levels profit-taking came into the market and with Comex opening lower than expected the price dipped to around £911 before rumours—later denied—that Zaire was about to declare force majeure pushed the market back up to the day's high of £922. However, renewed profit-taking pared the price to £918.5 on the late kerb. Turnover 40,925 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	896-7	+39	905-8	+39
3 months	915.5-6	+37.5	920-.5	+36.5
Settl'm't	897	+38	—	......
Cathodes				
Cash	883.5	+37.5	889.90	+37.7
3 months	901-2	+36.7	907.5-8.5	+37.2
Settl'm't	883	+37.5	—	
U.S. Smt.	—	......	*77-80	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £895, 97, three months £908, 9, 9.5, 10, 12, 12.5, 13, 15, 17, 18, 16, 15, 14, 15, 13, 14, 13, 12, 11.5, 12, 13, 13.5, 14. Cathodes, cash £882, three months £900, £909. Kerb: Wirebars, three months £914, 14.5. Afternoon: Wirebars, three months £915, 14, 14.5, 14, 16, 16.5, 17, 18, 19, 20, 19, 19.5, 20, 20.5. Cathodes, three months £908. Kerb: Wirebars, three months £920, 19, 19.5, 19.5, 19, 19.5, 20, 21, 22, 21.5, 19, 18, 17, 15.5, 16, 17, 18.

TIN—Firmer, reflecting the strength of copper and a rise in the Penang market after the holiday. Forward metal opened at £6,940 and moved ahead to £7,030 following bear covering, chartist buying and fresh buying which brought out intermittent bouts of profit-taking. Turnover 1,655 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7300-50	+55	7060-80	+80
3 months	6980-7000	+95	7010-20	+95
Settlem't	7040	+96	—	......
Standard				
Cash	7020-30	+57.5	7050-5	+55
3 months	6970-5	+95	7000-10	+72.5
Settlem't	7030	+90	—	......
Straits E.	£1815	+15		
New York	—	......		......

Morning: Standard, three months £7,020, 10, £7,000, £6,990, 80, 90, 85, 90, 80, 85, 80, 70, 80, 75. Kerb: Standard, three months £6,970, 75, 80, 75, 70. Afternoon: Standard, cash £7,050, three months £6,985, 90, 95, 90, £7,000, £7,010, £7,005, £7,010. Kerb: Standard, three months £7,010, 20, 25, 30, 25.

LEAD—Gained ground in line with copper. Forward metal rose to the day's high of £494.5 on the pre-market but failed to hold this level as profit-taking pared the price to £491.5 on the late kerb. Turnover 10,275 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	518.5-20	+4	522-4	+6.5
3 months	489-90	-7.75	492-.5	+9
Sett'ment	520	+4.5	—	......
U.S. Spot	—		*40.42	......

Morning: Cash £519, three months £494, 93, 92, 91, 92, 91.5, 91, 90.5, 91, 91.5, 91, 89, 89.5. Kerb: Cash £519, three months £489, 90. Afternoon: Cash £524, three months £492, 93, 92, 91.5, 92, 93, 92.5. Kerb: Three months 494.5, 94, 92.5, 91.

ZINC—Moved ahead helped by the buoyancy of other metals. Forward material rose to £381 on the pre-market before easing marginally to close at £378.5 on the late kerb. Turnover 4,400 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	363.5-4	+6	365.5-6	+6.5
3 months	376-7	+2.5	378.5-9	-6
S'ment	364	+2	—	......
Prim.west	—	......	*34.5-36	......

Morning: Cash £362.5, £363.5, three months £378, 77, 76, 75.5. Kerb: Three months £377. Afternoon: Three months £378, 77.5, 78, 78.5, 79, 78.5. Kerb: Three months £379.5, 79, 78.

ALUMINIUM—Attained record contract highs owing to short coverings and stop-loss buying prompted by the sharp rise in copper. Forward metal touched £664 but eased marginally to close at £662 on the late kerb. Turnover 3,750 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Spot	655-6	+14	661-3	+17.5
3 months	657-8	+12.5	664-5	+12.8

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £654, 56, 57, 58, 59, 60, 63, 60, 61, 60, 59, 57. Kerb: Three months £660. Afternoon: Cash £660, early April £661, mid April £664, three months £660, 62, 63, 64. Kerb: Three months £663, 62, 63.

SILVER

Silver was fixed 6.2p higher for spot delivery in the London bullion market yesterday at 336.4p. U.S. cent equivalents of the fixing levels were: spot 671.1c, up 11.8c; three-month 684.1c, up 10.9c; six-month 692.2c, up 11.3c; and 12-month 719.4c, up 10.5c. The metal opened at 331.8-332.9p (622-664c) and touched 675c during the day before closing at 336.7-337.7p (670-671½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	336.4p	+6.2	335p	-3.4
3 months	345.4p	+6.1	345.45p	-3.8
6 months	354.9p	+5.4	—	......
12 months	369.3p	+5.5	—	......

LME—Turnover 623 (313) lots of 10,000 ozs. Morning: Three months 344.4, 44.6, 45, 45.5, 45.2, 45.5, 45.8, 45.9, 46, 45.7, 45.6, 45.8, 47, 46.8, 46.6, 46.7. Kerb: Three months 347.5, 47.4, 47.3, 47.4, 47.6, 47.7. Afternoon: Cash 338; three months 347.3, 47.2, 47, 47.1, 47.2, 47, 46.5, 45.8, 45.7, 45.3, 45.2, 45.5, 45.2. Kerb: Three months 345.5, 45.8, 45.6, 45.8, 46, 45.8, 48.

COCOA

Cocoa futures were nervous throughout the day moving limit down during late afternoon dealings before profit-taking rallied prices marginally above the lows at the close, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1685.5-85.0	-43.25	1745.0-1682
May	1738.5-39.0	-38.0	1789.0-1764
July	1786.0-86.5	-38.0	1815.0-1784
Sept	1820.0-21.0	-35.0	1829.0-1795
Dec	1853.0-54.0	-26.0	1863.0-1843
March	1890.0-93.0	-24.75	1895.0-1855
May	[illegible]	-12.75	[illegible]

Sales: 3,869 (3,719) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price for Jan. 30 157.20 (157.49). Indicator price for Jan. 31: 15-day average 162.88 (163.96): 22-day average 167.05 (168.12).

COFFEE

London opened steady, about £10-£15 higher, with good Commission House buying on the opening which met heavy trade resistance in good volume, reports Drexel Burnham Lambert. Through the rest of the morning the market held steady except for soft January, which moved as much as £70 lower by lunch in front of its afternoon expiration. The afternoon saw a quiet consolidation of the morning values but January traded down to £1,415 and a drop of £155. Action was very quiet until the final call, when trade buying pushed March through £1,400, and backed by good Commission House buying, forged into new ground, making gains of £40-£53 on the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	—	......	1580-1415
March	1410-1413	+42	1412-1378
May	1288-1289	+47	1290-1270
July	1231-1234	+48.5	1230-1199
September	1185-1188	+53	1190-1158
November	1148-1150	+41.5	1148-1107
January	1115-1117	+47	1120-1075

Sales: 5,481 (5,226) lots of 5 tonnes. ICO Indicator prices for Jan. 30 (U.S. cents per pound): Colombian Mild Arabicas 150.50 (155.50): unwashed Arabicas 135.00 (same): other Mild Arabicas 121.00 (122.67): Robustas ICA 1976 134.00 (same): Robustas ICA 1968 134.50 (same). Daily average 130.98 (131.19).

GRAINS

LONDON FUTURES (GAFTA)—Old crop wheat opened 5p higher and improved slowly over the day due to good trade buying. Old crop barley, although in a narrow trading range, saw a good trade with commercials both sides of the market. Thus old crop wheat closed 30p-35p up and barley unchanged. New crops saw a small trade, closing unchanged to 10p up, Acli reported.

WHEAT M'nth	Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Mar.	92.20	+0.30	87.55	......
May	96.20	+0.35	90.15	......
Sept.	90.20	......	84.25	......
Nov.	93.20	+0.10	87.25	......

Business done—Wheat: March 93.10-93.00, May 96.20-96.00, Sept. 90.20-90.20, Nov. nil. Sales: 145. Barley: March 87.65-87.45, May 90.30-90.10, Sept. 84.25-84.20, Nov. 87.25-87.25. Sales: 323.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted: U.S. Dark Northern Spring No. 2 14 per cent, mid-Jan./mid-Feb. 92.75, March 90.50 sellers transhipment E. Coast. U.S. Hard Winter 13½ per cent mid-Jan./mid-Feb. 87.25, March 87.25 sellers transhipment E. Coast. EEC unquoted. Maize: U.S./French Jan. unquoted, Feb. 108.75, March 109.75 sellers transhipment E. Coast. S. African White Jan. unquoted, 2nd-half Feb. / 1st-half March 73 sellers c.i.f. Glasgow. S. African Yellow Jan. unquoted, 2nd-half Feb./1st-half March 73 sellers c.i.f. Glasgow. Barley: English feed fob Feb. 90.75, March 92, April-June 93.75 sellers E. Coast March 91.50 paid.

EEC IMPORT LEVIES—The following levies and premiums are effective for February 1 in order of current levy plus March, April and May premiums (with previous in brackets), all in units of account per tonne. Common wheat: 87.29, nil, nil, 5.14 (85.07, 2.60, 2.60, 2.60); Durum wheat: 134.52, rest nil (133.63, rest nil); Rye: 87.89, nil, nil, 5.48 (86.94, rest nil); Barley: 85.02, rest nil (83.48, 0.60, 0.60, 0.60); Oats: 92.44, rest nil (90.46, rest nil); Maize (other than hybrid for seeding): 80.10, 0.61, 0.61, 1.22 (78.54, nil, nil, 0.91); Buckwheat: 4.72, rest nil (4.72, rest nil); Millet: 75.92, rest nil (74.38, nil, 0.30); Grain sorghum: 80.79, 4.56, 4.53, 5.17 (79.84, nil, nil, 4.53). Flour levies: Wheat or Mixed Wheat and Rye Flour: Wheat or mixed wheat and rye flour: 113.64 (130.59); Rye flour: 134.67 (133.29).

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 175 tonnes, bringing the total for the week so far to 527 tonnes. Occasional purchases were mentioned in Middle Eastern growths, without extensive operations developing. Many users adopted a cautious tone, in view of the handicaps still existing to an even flow of supplies.

RUBBER

STEADIER opening on the London physical market. Little interest throughout the day, closing on an easier note. Lewis and Peat reported the Malaysian godown price was 239 (238) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
March	58.95-59.00	58.20-59.25	59.10-58.95
April	58.70-59.75	60.00-60.05	59.80-59.75
Apr-Jne	59.80-59.85	60.70-60.80	60.75-60.50
Jy-Sept	62.25-62.50	62.70-62.75	62.70-62.55
Oct-Dec	65.10-64.15	64.65-64.70	64.65-64.10
Jan-Mar	66.00-66.10	66.70-66.75	66.40-66.10
Apr-Jne	68.05-68.10	68.75-68.85	69.10
Jy-Sept	70.05-70.10	70.65-70.70	70.70-70.65
Oct-Dec	72.05-72.10	72.65-72.70	72.10-72.05

Sales: 19 (16) lots of 5 tonnes and 212 (595) lots of 15 tonnes.

Physical closing prices (buyers') were: Spot 59.25p (58.75); March 58.75p (59.25); April 59.25p (59.75).

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
February	129.50-29.9	+0.15	128.00-28.50
April	125.70-25.9	+0.85	126.20-25.50
June	124.80-25.0	+1.50	125.20-24.00
August	125.80-25.8	+1.50	126.00-25.50
October	124.00-28.5	+1.05	—
December	125.20-25.5	+1.35	124.80
February	125.50-26.0	+1.00	—

Sales: 95 (60) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar): £95.00 (£93.00) a tonne cif for Jan.-Feb. shipment. White sugar daily price was fixed at £96.00 (£95.00).

The market opened around overnight levels but later rallied slightly following New York quotations, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	105.70-05.75	101.80-01.90	105.30-01.75
May	106.45-06.50	105.05-05.10	106.55-05.15
Aug.	110.65-10.70	109.15-09.25	110.80-09.50
Oct.	115.60-15.75	111.75-11.80	115.65-12.80
Dec.	115.10-15.20	114.75-14.90	116.00-15.75
March	121.20-21.25	120.00-20.10	121.25-21.00
May	123.80-23.85	122.51-22.70	124.00

Sales: 3,327 (1,841) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £166.00 (£164.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Jan. 30: Daily 7.42 (same); 15-day average 7.50 (7.52).

WHITE SUGAR—Close (in order buyer, seller, business, sales). April 100.50, 101.25, 101.00-100.50, 15; July 106.00, 107.00, 105.90-105.75, 105; Sept. 112.25, 112.70, 112.50-112.00, 7; Nov. 117.50, 118.00, nil, nil; Feb. 123.00, 125.00, nil, nil; April 127.50, 129.00, nil, nil; July 131.00, 134.00, nil, nil. Sales: 127.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: March 352.0, 352.5, 352.0-350.0, 60; May 357.0, 358.0, 357.0-356.0, 6; July 362.5, 363.0, 363.0-362.5, 12; Oct. 364.5, 366.0, 366.0-365.0, 10; Dec. 368.8, 369.0, 369.5-369.0, 9; March 373.0, 374.0, 373.0-372.5, 11; May 375.0, 375.5, nil, nil; July 376.5, 378.0, 376.5-376.5, 10. Sales: 118.

LONDON GREASY—Close (in order buyer, seller): March 210.0, 215.0; May 215.0, 220.0; July 217.0, 225.0; Oct. 230.0, 238.0; Dec. 231.0, 240.0; March 234.0, 244.0; May 235.0, 244.0; July 236.0, 247.0. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller): March 180.0, 184.0; May 184.0, 187.0; July 184.0, 188.0; Oct. 187.0, 190.0; Dec. 190.0, 194.0; March 191.0, 195.0; May 193.0, 153.0; July 193.0, 199.0. Sales nil.

PRICE CHANGES

Price in tonnes unless otherwise stated.

	Jan. 31 1979	+ or —	Month ago
Metals			
Aluminium	£710	....	£710
Free market (cis)	$1,290/15	+20	$1,255/65
Copper cash W Bar	£904.5	+39	£769.25
3 months do. do.	£920.25	+36.5	£783.75
Cash Cathode	£889.5	+37.75	£754
3 months do. do.	£908	+37.25	£771.75
Gold ......Troy oz.	$232.375	+1.0	$218.575
Lead cash	£523	+6.5	£457
3 months	£492.25	+9.0	£421
Nickel	‡	....	‡
Free Market(cif)(lb)	$1.66	....	$1.65
	1.80	....	1.76
Platinum troy oz.	£164.5	....	£152
Free Market	£194.45	+3.1	£169.5
Quicksilver	$205/15	....	$175/85
Silver troy oz.	336.4p	+6.2	[illegible]
3 months	345.4p	+6.1	304.2p
Tin cash	£7,052.5	+85.0	£6,932.5
3 months	£7,005.5	+87.5	£6,857.5
Tungsten (x)	$144.29	....	$145.58
Wolfram 22.04 cif	$120/25	....	$133/38
Zinc cash	£365.75	+5.5	£340.5
3 months	£378.75	+6.0	£350.5
Producers	$760	....	$720
Oils			
Coconut (Phil)	$1,000r	+10.0	$925
Groundnut	‡	....	‡
Linseed Crude	£370	+5.0	£346
Palm Malayan	$660v	+10.0	$615
Seeds			
Copra Philip	$685v	+5.0	$620
Soyabean (U.S.)	$251.5v	+4.5	$286
Grains			
Barley			
Home Futures	£90.15	....	£86
Maize			
French No. 3 Am	£108.75q	-1.25	£107.25
Wheat			
No. 1 Red Spring	‡	....	£97.25
No. 2 Hard Winter	£87.25q	+0.25	£84.25
English Milling †	£96v	....	£95.5
Other Commodities			
Cocoa Shipment	£1,804	-36.0	£1,992.5
Future May	£1,738.5	-38.0	£1,942½
Coffee Future			
Mar.	£1,411.5	+42.0	£1,349
Cotton 'A' Index	75.8c	-0.1	78.45c
Rubber kilo	57.5p	-0.25	55.25p
Sugar (Raw)	£95	+2.0	£95
Wooltops 64s (kilo)	268p	....	270p

*Nominal. †New crop. ‡Unquoted. n Jan.-March. q Jan.-Feb. r Feb.-March. s March. t Feb. v March-April. x Per ton. z Indicator.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 58.0 to 61.0, Eire hindquarters 60.0 to 64.0, forequarters 45.0 to 48.0.

Veal: English fats 74.0 to 80.0, Dutch hinds and ends 96.0 to 99.0.

Lamb: English small 54.0 to 64.0, medium 52.0 to 62.0, heavy 50.0 to 60.0. Scotch heavy 50.0 to 60.0.

Pork: English under 100 lbs 36.5 to 48.0, 100-120 lbs 36.5 to 45.0, 130-160 lbs 35.0 to 43.0.

Partridges: Young (each) 180.0 to 300.0.

Pheasants: Best (per brace) 300.0 to 300.0.

MEAT COMMISSION—Average fatstock prices at representative markets on January 31. GB cattle 72.03p per kg. l.w. (—0.35); UK sheep 140.1p per kg. est.d.c.w. (+1.0); GB pigs 61.1p per kg. l.w. (—2.4). England and Wales: Cattle numbers up 1.6 per cent, average price 72.85p (—0.04); Sheep numbers down 11.4 per cent, average price 141.9p (+0.6); Pig numbers up 2.2 per cent, average price 61.1p (—2.4). Scotland: Cattle numbers up 13.2 per cent, average price 69.45p (—1.04); Sheep numbers down 1.9 per cent, average price 132.7p (+4.1); Pig numbers up 6.7 per cent, average price 61.8p (—2.7).

COVENT GARDEN—Prices in sterling per package, except where otherwise stated: Imported Produce: Lemons—Italian: 120s 4.25-4.50; Cypriot: trays 4.00-4.50, boxes 60/180s 4.00-7.00; Spania: trays 30/40/45 1.80-2.00. Oranges — Spania: Navels / Navelines 3.60-4.20; Israeli: Shamouti 3.75-4.85; Cypriot: 3.60-4.20. Sevilles—Spanish: 4.80. Clementines—10 kilos Corsican: 2.00-3.50; Spania: 3.50-4.50. Satsumas—Spania: trays 2.60-3.20. Grapefruit—Texas: Red Blush 4.50-4.60; Cypriot: 2.40-3.80; Israeli: Jaffa 27/88 3.45-4.05. Apples—French: Stark Crimson 40 lb 138/163s 4.80-5.20, Golden Delicious 20 lb 72s 2.30-2.60, 84s 1.90-2.00, 40 lb 138/175s 4.00-4.40; jumble pack, Golden Delicious per pound 0.08, Granny Smith 20 lb 72s 2.50, 84s 1.80-2.10, large boxes 138/150/163 4.20-4.80, jumble pack 55/60mm per pound 0.07-0.08. Apricots—S. African: per pound 0.40-0.45. Plums—S. African: per pound 0.60. Bananas—Jamaican: per pound 0.15. Grapes—Spanish: Almeria 2.50-2.80, Negri 3.60-3.80; Californian: Red Emperor 20/23 lb 8.50-9.00. Avocados—Israeli: 3.70-3.80. Melons—Spanish: Green 15-kilo boxes 12/15s 12.00; Peruvian: Green 12/15 10.00. Onions—Spanish: 5.00-5.30; Dutch: 1.80-2.40. Tomatoes—Spanish: 1.00-2.50; Canary: 3.00-4.50. Cucumbers—Canary: 10/16s 2.20-2.50; Spanish: 10/16 1.80. Cauliflowers—French: 24s 9.50; Italian: 18s 5.00. Lettuces—Dutch: 24s 4.20; French: 12s 2.20. Celery—Spanish: 15/30s 4.50-5.50. Potatoes—Italian: boxes 20 lb 3.40; Canary: 12½ kilos 4.00. Dates—Algerian: per glove box 0.38-0.43; Californian: tubs 0.30.

English Produce: Potatoes—per 25 kilos 1.50-1.80. Lettuces—per 12 round 2.00-2.20. Mushrooms—per pound 0.50. Apples—per pound Bramley 0.04-0.12; Cox's Orange Pippin 0.06-0.15; Spartan 0.05-0.08. Pears—per pound Conference 0.09-0.14, Comice 0.18-0.22. Cabbages—per net 1.50-1.60. Beetroots—per 28 lb 0.80. Carrots—per 28 lb 0.80-1.00. Onions — per bag 1.80-2.70. Rhubarb—per pound 0.20-0.22. Swedes—per 28 lb 1.00-1.20. Turnips—per 28 lb 1.00-1.10. Parsnips—per 28 lb 1.20-1.40. Sprouts—per pound 0.08-0.12.

GRIMSBY FISH—Supply moderate, demand moderate. Prices at ship's side (unprocessed) per stone: Shelf cod 3.60-4.20; codling £2.80-£3.50; medium haddock £3.80-£4.20; small £3.00-£3.60; large plaice £2.80-£3.80; medium £2.80-£3.30; best small £2.80-£3.40; large skinned dogfish £9.50; medium £7.50; large lemon soles £10.20; medium £9.30.

AMERICAN MARKETS

NEW YORK, Jan. 31.

Copper—Feb. 78.40 (76.80), March 78.90 (77.40), April 79.45, May 79.95, July 80.70, Sept. 81.35, Dec. 81.95, Jan. 82.20, March 82.50, May 82.80, July 83.15, Sept. 83.50, Dec. 84.00.

¶Silver—Feb. 670.00 (669.50), March 675.50 (674.50), April 678.70, May 682.00, July 689.40, Sept. 697.00, Dec. 708.90, Jan. 713.10, March 721.50, May 730.00, July 738.40, Sept. 746.90, Dec. 760.20. Handy and Harman spot 675.30 (661.00).

CHICAGO, Jan. 31.

Lard—Chicago loose 24.50 (same). New York prime steam 26.00 nom. (same).

‡‡Maize—March 234¼-234 (234½), May 243¾-243¼ (243½), July 248½-249, Sept. 251¼, Dec. 255-255¼, March 262¼.

Silver—Feb. 665.0-666.5 (669.6), March 670.0 (675.0), April 674.5-678.0, June 682.5, Aug. 690.0, Oct. 697.5, Dec. 705.5-706.0, Feb. 715.0, April 723.0, June 731.0, Aug. 740.0, Oct. 748.0, Dec. 757.0, Feb. 766.0, April 775.5, June 786.0, Aug. 796.0.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, Jan. 31.

Wheat—U.S. No. 2 Dark Hard Winter 13.5 per cent, Feb. $156, March $152. U.S. Hard Winter wheat ordinary Feb.-March $153.

Maize—U.S. No. 3 Corn Yellow Jan. $120.50, Oct.-Dec. $116.50 traded, AFL $122, Jan. $121, Feb. $119.50, March $118.50, April-June $117, July-Sept. $117, Oct.-Dec. $117 sellers.

Rye—U.S. No. 2 Canadian Western April-May $111.

Oats—Swedish Spot $95.50, 2/40 U.S. unquoted, U.S./Plate Feb. $92.50, Feb.-March $96, March-April $98. Norwegian Feb. $107, Canadian Feed unquoted.

Sorghum—Argentine/U.S. AFL $118, Feb. $118, March $118, April-June $107.50.

Barley—U.S. No. 3 Canadian 1/2 all unquoted.

Soyabeans—U.S. 2 Yellow Gulfports Feb. $286, March $286.50, April, May $288.50, June-July-Aug. $290.75, Sept. $290, Oct. $274.50, Nov. $273.25, Dec. $276.25, Jan. $279.75, Feb. $283.50, March $284.75 sellers. U.S./Brazil unquoted. Lakes unquoted. Argentine May $280, June-July $281 sellers.

PARIS, Jan. 31.

Cocoa (FFr per 100 kilos). March 1380-1385, May 1424 limit down asked, July unquoted, Sept. 1495 limit down asked. Sales at call, accumulative total 187.

Sugar (FFr per 100 kilos). March 824-826, May 854-858, July 870-876, Aug. 900-905, Oct. 926-930, Nov. unquoted, Dec. 945-960, March 985-1,000. Sales at call 13.

INDICES

FINANCIAL TIMES

Jan. 30	Jan. 29	M'nth ago	Year ago
261.97	261.61	257.58	226.41

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Jan. 30	Jan. 29	Month ago	Year ago
Spot	377.01	377.05	382.31	347.62
F'tur's	372.07	371.62	382.24	330.28

(Average 1924-25-26=100)

MOODY'S

Jan. 30	Jan. 29	M'nth ago	Year ago
1006.9	1003.8	975.1	899.2

(December 31, 1931=100)

REUTERS

Jan. 31	Jan. 30	M'nth ago	Year ago
1510.8	1505.7	1492.0	1399.8

(Base: September 18, 1931=100)

Forum to seek development

INDUSTRY and trade unions in Nottinghamshire have joined forces with the county council to form a body to encourage commercial and industrial development.

The Nottinghamshire Economic Forum will seek ways of overcoming restrictions on economic growth. The chairman is Mr. Peter Wright, leader of the council and the local chamber of commerce, the CBI and trade unions will also be represented.

Peterborough to have new hotel

SAXON INN Motor Hotels—part of the Furness Withy Group—has agreed in principle with Peterborough Development Corporation to build a 100-bedroom hotel in Peterborough.

Work on the hotel, which will include restaurant, banqueting and conference facilities, is expected to start this summer with completion towards the end of next year. The site, at Thorpe Wood on the edge of the 2,000 acre Nene Park, is next to an 18-hole golf course.

PUBLIC NOTICES

DEPARTMENT OF TRANSPORT

Town and Country Planning Act 1971

The Secretary of State for Transport HEREBY GIVES NOTICE that he has made an Order under S.209 of the above Act entitled "The Stopping Up Of Highways (City of London) (No. 2) Order 1979" authorising the stopping up of a length of Bull Wharf Lane, EC4.

Copies of the Order may be obtained, free of charge, on application to the Secretary of State, Department of Transport, St. Christopher House, Southwark Street, London, SE1 0TE (quoting GLRT 38/3002 7.018) and may be inspected at all reasonable hours at the office of the City Architect and Planning Officer, Guildhall, London EC2P 2EJ.

Any person aggrieved by the Order and desiring to question the validity thereof, or of any provision contained therein, on the ground that it is not within the powers of the above Act or that any requirement of that Act or of any regulation made thereunder has not been complied with in relation to the Order, may, within 6 weeks of the 1st February 1979, apply to the High Court for the suspension or quashing of the Order or of any provision contained therein.

R. S. WILSON,
An Assistant Chief Engineer.

CITY OF BRISTOL
VARIABLE RATE REDEEMABLE STOCK 1982

The Council of the City of Bristol announce that the half-yearly payment of interest on 1st May, 1979, on the above Stock will be at the rate of £6.34 (less income tax) per £100 of Stock.
29th January, 1979.

LOCAL AUTHORITY BILLS

Council: City of Swansea. £1,050,000 Bills, issue date 31.1.79, maturing 2.5.79, at 12¼%. Applications totalled £9,450,000 and there are £1,050,000 Bills outstanding.

LOCAL AUTHORITY BILLS

Council: Borough of Great Yarmouth. £400,000 Bills, issue date 31 January, 1979, maturing 2 May, 1979, at 12¼%. Applications totalled £4,400,000 and there are no Bills outstanding.

CORPORATION BILLS

£2.5m City of Bristol 91-day Bills issued on 31st January at 12⅛%. Application £16.5m. Outstanding £2.5m.

COMPANY NOTICE

To the holders of:
INSILCO OVERSEAS CAPITAL CORPORATION N.V.

GUARANTEED FLOATING RATE LOAN NOTES 1980

In accordance with the provisions of the above Notes, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has determined the rate of interest payable with respect to Coupon No. 18 on Tuesday July 31st, 1979, to be twelve and a quarter per cent (12¼%) per annum.

Dated February 1st, 1979.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Fiscal Agent.

Equities edge firmer despite uneasy news background
Government Securities index falls to 23-month low

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 15	Jan. 25	Jan. 26	Feb. 6
Jan. 29	Feb. 8	Feb. 9	Feb. 20
Feb. 12	Feb. 22	Feb. 23	Mar. 6

* "New time" dealings may take place from 9.30 am two business days earlier

Hoping that industry would soon recover from the damaging effects of the road haulage dispute, which appears to be coming to an end, small investors became a little more confident in equity markets yesterday. The start of trading was noticeably cautious still reflecting the unfavourable situation regarding wages and industry in general, but the early hesitancy cleared when small demand developed for a wide range of shares.

Minor improvements began to appear against constituents of the FT 30-share index and other top-name companies in the late morning, while trading news and Press recommendations resulted in numerous firm features. By noon, the index had more than regained a marginal loss recorded an hour earlier and, although business was at a standstill for much of the afternoon, the tone began to improve again towards the close and the index ended a net 1.7 higher at 467.7.

Distillery shares tended a shade easier owing to the delay in whisky exports because of the lorry drivers' strike but, despite the possibility of interest rates holding at the present level for a while yet, Properties remained firm in continued consideration of brokers' advice about the sector's investment prospects. Overall trade in equities was slightly less measured by official bargains of 4,293 against Tuesday's 4,555.

The first reduction for some considerable time in a U.S. Prime rate failed to help confidence in Gilt-edged securities, which were more concerned with the inflationary implications of current wage claims. During a light trade, an attempted rally in the shorts faded late to leave quotations a net $\frac{1}{16}$ lower, while losses at the longer end were generally of ¼. The FT Government Securities index lost 0.12 more to a 23-month low of 66.27.

Southern Rhodesian Bonds improved following the result of the Rhodesian referendum overwhelmingly in favour of ending minority rule: the 6 per cent 1978/81 rose three points to £86 and the 2½ per cent 1965/70 put on two points to £51. **Hawley Leisure** 12 per cent Convertible 1986/88, in recently-issued Fixed Interests, advanced four points to £125.

The investment currency premium fluctuated between narrow limits in moderate trading before closing ¼ lower at 92 per cent. Yesterday's SE conversion factor was 0.6798 (0.6757).

The volume of business in Traded Options contracted, 473 contracts being completed compared with the previous day's 505. **RTZ** were fairly active, recording 175 deals.

Caledonian Holdings, the industrial arm of Stenhouse Group, staged a successful debut and, from an opening level of 68p, made steady progress on institutional demand to close at 72p compared with the offer price of 65p.

Ins. brokers higher

Continuing to reflect recent favourable comment, Insurance Brokers made further progress up to 5, as in **C. E. Heath** at 230p. **Brentnall Beard**, on the other hand, relinquished a penny to a 1978-79 low of 27p. Among Composites, **Royals** were notable for a rise of 8 at 343p.

Interest in the banking sector was at an extremely low ebb, but Discounts improved in places with **Union** closing 5 to the good at 310p.

Despite the recently announced agreed merger terms with **Armitage Shanks**, **Johnson-Richards Tiles** firmed 3 to 134p on hopes that **Norcros** may increase its current 135p per share offer for the company. **Blundell Permoglaze** hardened a penny to 90p in response to the satisfactory annual profits. **J.C.E.G.** advanced 4½ to 22½p on revived interest in a limited market and **Brown and Jackson** moved up 10 to 265p, but **M. J. Gleeson** eased a penny to 32p following the chairman's cautious remarks on current trading. **IDC** firmed 3 for a two-day gain of 18 to 148p, after 150p, in continued response to the annual profits recovery. **Comben** made progress, at 33p up 2, and, in belated response to Press comment, **Galliford Brindley** improved a like amount to 75p.

ICI encountered a slow trade and finished 2 up at 357p, while **Fisons**, in similar circumstances, added 4 to 304p. Reflecting demand that developed late on Tuesday, **Carless Capel** rose 3 to 31p.

Bakers Household good

Secondary Stores once again provided numerous features. **Bakers Household** stood out with a rise of 6 to 51p on buying ahead of the results, while renewed demand in a thin market helped **Lee Cooper** advance 4 for a three-day gain of 22 to 200p. **MFI Furniture** attracted further buying in front of the interim statement and put on 4 more to 207p. Investment support for **Bambers** continued and the close was 10 higher at 150p, but profit-taking after the recent good rise, left **Status Discount** 8 lower at 236p. Among the quietly firm leaders, **Burton** ordinary improved 5 to 215p and **Marks and Spencer** edged forward a penny to 87p.

Further consideration of the half-yearly figures prompted a turnround in **Decca A**, which reacted to 340p before settling at 345p for a fall of 12 on balance. Elsewhere in the Electrical sector, dealings were resumed in **Best and May** at 81p compared with the suspension price of 65p following news of the agreed cash and share exchange offer worth 83p from Crown House, a penny dearer at 67p. **Wholesale Fittings**, at 250p, gave up 5 of the previous day's rise of 18; the half-yearly figures are due today. Among the leaders, **GEC** hardened 3 to 324p.

Apart from **John Brown**, 12 higher at 388p, in response to favourable Press mention, interest in the Engineering leaders was at a low ebb and prices traded quietly around overnight closing levels. Secondary issues fared little better in the way of activity. Among the day's noteworthy movements, **Williams and James**, up 11 more at 143p, continued to reflect a broker's investment recommendation. Demand in a thin market lifted **A. Cohen** 15 to 185p, while **Yarow** gained 7 to 317p following news that Vosper had increased its stake in the company and now owns a near-23 per cent stake in Yarrow. Buyers showed interest in **Alcan Aluminium**, 4 up at 139p, and demand was also forthcoming for **Meggitt Holdings** which improved 2¼ to 28½p.

Second-line issues again dominated proceedings in the Food sector. **Hillards** were wanted and put on 6 for a three-day rise of 19 to 232p, while fresh interest was shown in **Bishop's Stores** which added 4 to 146p. In a nominal market, **Sidney C. Banks** moved up 4 to 92p and, still reflecting Haygate's increased stake in the company, **Carr's Milling** gained a like amount to 82p.

Ahead of today's annual results, a few buyers came in for **Trust Houses Forte** which firmed 4 to 267p.

Aero and General wanted

A resurgence of speculative buying on revived bid hopes helped **Aeronautical and General Instruments** forge ahead to close 12 up at 118p, after 120p, while a sharp increase in interim earnings prompted a rise of 5 to 72p in **Grimshawe**. Seasonal demand for double-glazing concern **Alpine Holdings** brought about a rise of 10 to a 1978-79 high of 96p and **ICL** secured a similar rise at 450p in response to the chairman's optimistic remarks about current trade at the annual meeting. **Dufay Bitumastic** edged forward 2 to 49p following the Board's strong rejection of Camrex's cash bid of 50p per share; news of the latter's intention to withdraw the offer came after market hours. **Stocklake** gained 5 to 70p on the overwhelming vote for majority rule in Southern Rhodesia. Investment buying lifted **Sothebys** 5 more to 375p and **Marshalls Universal** 6 to 138p. **Syltone** added 8 to 156p on further consideration of the interim results, while **New Equipment** put on 4 to 34p and **G.R. Holdings** 10 to 130p. The miscellaneous Industrial leaders tended firmer with **Beecham** 8 better at 613p and **Reckitt and Colman** a like amount dearer at 460p. Awaiting Friday's expected decision from the Monopolies Commission as to whether Lonrho will be allowed to bid for **Scottish and Universal Investments**, the latter attracted speculative support and closed 4 higher at 123p, while the associated **House of Fraser** added 6 to 131p.

Following news of the death of Mr. Stanley Glanfield, who held over 30 per cent of the equity, **Glanfield Lawrence** jumped 20 to 53p in a thin market on speculation about future developments concerning the holding. In Components, **Lucas** shed 4 to 278p, and **Associated Engineering** gave up 2 to a 1978-1979 low of 93p.

Paper manufacturers **William Sommerville** rose 2 to 68p on the increased interim profits and dividend.

Still influenced by recent brokers' circulars, Properties, after a cautious opening, took Tuesday's strong advance a stage further although gains were not of the same magnitude. **Hammerson A** added 5 for a two-day gain of 20 to 673p, while **United Real** put on 10 to 342p and **Imry** 8 to 418p.

Oils better

Oil shares took a distinct turn for the better, particularly the more speculative secondary issues where **Hunting Petroleum** and **Siebens (UK)** featured with rises of 14 apiece at 104p and 344p respectively. **Oil Exploration** moved up 8 to 224p, while fresh demand left **Lasmo** up 6 more at 146p. Among the leaders, a little more activity developed in **British Petroleum**, 8 to the good at 906p. **Shell** edged up 4 to 572p.

Standing at 68p ahead of the statement, **Lonrho** reported profits and dividend below market expectations and slipped to close a net penny down at 66p. Elsewhere in Overseas Traders, **Tozer Kemsley and Millbourn** eased 2 to 48p following the loss from January next year of the BMW franchise. **Gill and Duffus**, subject of weekend Press comment on a broker's circular, added 6 to 147p.

Among Financials, **Armour Trust**, up 1½ at 15p, reflected satisfaction with the half-yearly results. Dealings were temporarily suspended in **St. George Assets** following the announcement that it had received an approach that could materially affect the structure of the company.

David Dixon continued to respond to speculative support, finishing 7 better for a three-day rise of 13 at 145p. Worsted cloth manufacturers **Moorhouse and Brook** advanced 15 to 240p on the capital repayment plans.

Bats firmed afresh after Tuesday's good annual statement, rising 7 to 305p for a gain of 20 since the announcement; the Deferred added a like amount to 275p.

Plantations met more support than of late and displayed useful gains. **Castlefield** rose 17 to 277p, **London Sumatra** 7 to 210p and **Bertam** 8 to 117p.

RTZ up again

Base-metal producers again attracted a good deal of buying interest following the renewed strength of base-metal prices—notably copper—on the London Metal Exchange.

Of the London-based Financials, **Rio Tinto-Zinc** were outstanding and climbed to a 1978-79 high of 274p prior to closing 6 firmer on balance at 273p. **Tanks** also moved ahead strongly to close another 5 better at 188p for a two-day gain of 12.

Overseas-registered issues with base-metal interests fared equally well. **Minorco** rose 6 to 220p, while among South Africans **Messina** advanced 5 to 93p and **Palabora** 10 to 560p. **Vogels** held steady at 80p. **Middle Wits** were additionally boosted by the increased half-year profits and climbed 16 to 230p.

Elsewhere in South Africans, Johannesburg buying lifted **UC Investments** by 13 to 260p; the 1978 results are expected next week. **Union Corporation** also came in for support and rose 8 to 340p.

Hopes that a lifting of economic sanctions against Rhodesia has been brought nearer by the proposed "one-man one-vote" elections in April prompted further rises in Rhodesia. **MTD Mangula** advanced 5 more to 55p, for a two-day gain of 10, while **Falcon Mines** added a like amount to 145p and **Coronation Syndicate** 2 to 82p.

A better-than-expected performance by overnight Sydney and Melborne markets coupled with the strength of metal prices led to an active market in **MIM Holdings**, 8 higher at 261p and **Bougainville**, 4 up at 155p.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 23	Feb. 5	Apr. 19	May 1
Feb. 6	Feb. 19	May 3	May 15
Feb. 20	Feb. 19	May 3	May 15

For rate indications see end of Share Information Service

Call options were dealt in **Mersey Docks, Bolton Textiles, Tesco, Swire Pacific, J. Dykes, Blue Circle, Rolls-Royce, British Dredging, Burmah, P & O, Dunlop, Mount Charlotte, Cons. Plants., Strong and Fisher, Woodside-Burmah, ICI, Scottish and Universal Investments** and **House of Fraser**. A put was reported for **Tozer Kemsley**, while a double option was arranged in **Lonrho**.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	12	906	+ 8	954	720
Glaxo	50p	7	482	+ 4	648	478
RTZ	25p	7	273	+ 6	274	164
Shell Transport	25p	7	572	+ 4	602	484
BAT's Defd.	25p	6	275	+ 7	304	227
Beecham	25p	6	613	+ 8	726	581
Brit. Home Stores	25p	6	178	+ 1	228	173
Chloride Group	25p	6	96	+ 1	136	94
C'cial. Union	25p	6	143	+ 2	164	132
EMI	50p	6	138	+ 1	190	130
GEC	25p	6	324	+ 3	349	233
Grand Met.	50p	6	118	+ 1	121	87
Inchcape	£1	6	314	+ 3	445	295
Marks & Spencer	25p	6	87	+ 1	94	67½
Tate & Lyle	£1	6	148	− 2	218	144

FINANCIAL TIMES STOCK INDICES

—	Jan. 31	Jan. 30	Jan. 29	Jan. 26	Jan. 25	Jan. 24	A year ago
Government Secs.	66.27	66.39	66.54	66.56	66.47	66.47	76.10
Fixed Interest	67.93	67.96	167.98	68.57	68.58	68.68	79.19
Industrial	467.7	466.0	463.5	465.0	461.9	461.0	469.8
Gold Mines	165.3	167.2	168.2	167.6	171.0	176.0	155.0
Gold Mines(Ex-$ pm)	112.4	113.0	113.7	113.3	116.2	119.2	117.3
Ord. Div. Yield	6.15	6.19	6.23	6.19	6.24	6.30	5.71
Earnings Y'ld % (full)	16.11	16.20	16.28	16.21	16.35	16.52	17.40
P/E Ratio (net) (*)	8.05	8.01	7.96	8.00	7.94	7.83	8.14
Dealings marked	4,293	4,555	4,267	3,904	3,661	3,437	5,019
Equity turnover £m.	—	66.93	57.15	78.91	72.48	75.35	68.39
Equity bargains total	—	13,343	12,413	12,822	11,876	12,064	13,381

10 am 466.1. 11 am 465.7. Noon 467.0. 1 pm 467.0. 2 pm 467.0. 3 pm 467.3.
Latest Index 01-246 8026.
* Nil=7.82.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (3/1/78)	66.27 (31/1/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	67.93 (31/1/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	134.1 (28/11/78)	442.3 (22/5/75)	43.5 (28/10/71)
Gold Mines (Ex-$ pm)	152.3 (14/8/78)	90.3 (13/4/78)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Jan. 31	Jan. 30
Daily		
Gilt Edged	127.0	142.5
Industrials	150.1	152.0
Speculative	46.1	62.0
Totals	97.7	103.7
5-d'y Av'r'ge		
Gilt Edged	127.2	123.8
Industrials	138.4	131.8
Speculative	50.7	60.1
Totals	94.1	90.2

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted by the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (73)

BEERS (2)
Greene King; Tomatin

BUILDINGS (4)
Burnett Hallamshire; Galliford Brindley; Francis (G. R.); I.D.C.

CHEMICALS (1)
British Benzol

STORES (8)
Bakers Stores; House of Lerose; Bambers; Kitchen Queen; Bolton Textile; Lee Cooper; Burton Group; MFI Furniture

ELECTRICALS (1)
Muirhead

ENGINEERING (5)
Cohen (A.); Mining Supplies; English Card Cloth's; Williams & James; Meggitt

FOODS (2)
Banks (S. C.); Carr's Milling

HOTELS (2)
City Hotels; Comfort Internatl.

INDUSTRIALS (11)
Aitken; New Equipment; Dykes (J.); Provincial Laundries; Hamilborne; Sotheby P. B.; Huntleigh; Stag Furniture; Johnson Matthey; Watson (R. K.); Leisure Caravan

LEISURE (1)
Associated Leisure

MOTORS (2)
British Car Auction; Glanfield Lawrence

PROPERTY (16)
Amal. Estates; Land Secs. 8½pc Conv. 1983; Bradford Prop.; Chaddesley Invs.; Do. 6¼pc Cnv. '85; County & District; Do. 10pc Cnv. '85; Estates & General; Law Land; Hammerson A; Scottish Metrop.; Imry; Slough Ests 10pc Conv. 1990; Intereuropean; United Real Prop.; Law Land; Warnford Inv.

TEXTILES (1)
Dixon (D.)

TRUSTS ([illegible])
Ambrose Inv. Inc.; Kitchen Taylor; Le Valloner; Sarambe; Tor Invest. Inc.; Park Place Inv.; Armour Trust; S.E. £4¼ Ann.; Dalgety

OVERSEAS TRADERS (1)
Boustead

RUBBERS (1)
London Sumatra

TEAS (1)
Lunuva

MINES (5)
Doelkraal; M.I.M.; Elandsrand Gold; R.T.Z.; Minorco

NEW LOWS (48)

BRITISH FUNDS (40)
Treas. 8½pc 1982; Exchqr. 9¼pc 1982; Exchqr. 8¼pc 1983; Treas. 9½pc 1983; Transport 3pc '78-88; Treas. 5pc 1986-89; Treas. 8¼pc '87-90; Treas. 11¾pc 1991; Fundg. 5¾pc '87-91; Treas. 12¾pc '92; Treas. 10pc 1992; Exchqr. 12¼pc '92; Treas. 12½pc '93; Fundg. 6pc 1993; Treas. 13¾pc 1993; Treas. 14½pc 1994; Exchqr. 12½pc '94; Treas. 9pc 1994; Treas. 12pc 1995; Gas 3pc 1990-95; Exchqr. 10¼pc 1995; Treas. 12¾pc 1995; Treas. 9pc 1992-96; Treas. 15¼pc 1996; Exchqr. 13¼pc 1996; Treas. 13¼pc 1997; Exchqr. 10½pc 1997; Treas. 8¾pc 1997; Treas. 6¾pc '95-98; Treas. 15½pc 1998; Exchqr. 12pc 1998; Treas. 9½pc 1999; Treas. 10½pc 1999; Exchqr. 12¼pc '99-02; Fundg. 3½pc '99-04; Treas. 12½pc '03-05; Treas. 8pc '02-06; Treas. 5½pc '08-12; Treas. 7¾pc '12-15; Exchqr. 12pc '13-17

LOANS (1)
ICFC 8½pc Ln. '92-97

BANKS (1)
Midland 10¼pc '93-98

BUILDINGS (1)
Gleeson (M. J.)

ELECTRICALS (1)
Decca A

ENGINEERING (1)
Jones Group

INSURANCE (1)
Brentnall Beard

MOTORS (1)
Assocd. Eng.

TEXTILES (1)
Courtaulds 7½pcDb. 1982-87

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	55	23
Corpns., Dom. and Foreign Bonds	11	3	50
Industrials	324	206	989
Financial and Prop.	152	49	307
Oils	15	1	22
Plantation	10	2	20
Mines	32	52	55
Recent Issues	7	5	15
Totals	553	373	1,481

APPOINTMENTS

Lord Barnetson joins Bank of Scotland London Board

Lord Barnetson, chairman and managing director, United Newspapers Publications, has been appointed a member of the London Local Board of the BANK OF SCOTLAND.

*

Sir Idwal Pugh has been appointed chairman of the HODGE GROUP and HODGE FINANCE from March 1. Sir Idwal will also join the main Board of Standard Chartered Bank from the same date.

*

Mr. G. R. Simpson, a director of the GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, is to become chairman after the annual meeting on May 23. He will succeed Mr. I. H. Stuart Black, who is to retire as chairman and from the Board on that date. Mr. Simpson has been a director of the Corporation for 11 years and, in recent times, a deputy chairman of the Stock Exchange. Mr. Stuart Black was appointed a director of General Accident in 1950 and was a deputy chairman from December 1970 to April 1972 when he became chairman.

*

Mr. Antony Delderfield, who until recently headed Lloyd's insurance broker Stewart Wrightson's marine operations in London, has joined the Boards of HILL SAMUEL BROKING AND CONSULTING SERVICES and LOWNDES LAMBERT GROUP.

*

Mr. Derek H. Kay has been appointed to the group Board of SPENCER CLARK METAL INDUSTRIES.

*

Mr. Ian N. Tegner, a director of CAYZER STEEL BOWATER HOLDINGS, has been elected chairman, succeeding Sir W. Nicholas Cayzer, who has relinquished his position as chairman and as a director. The company is the insurance broking consortium of British and Commonwealth Shipping, Steel Brothers Holdings, and Bowater Corporation. Mr. Tegner is finance director of Bowater Corporation. Mr. Peter N. Buckley, a director of British and Commonwealth Shipping, has joined the Board of Cayzer Steel Bowater Holdings.

*

Mr. J. H. Forsyth, chief economist, has been appointed a director of MORGAN GRENFELL AND CO.

*

Mr. D. J. Sen Gupta, deputy general manager (senior), UK and European operations, BANK OF BARODA, is to become general manager, international division, Bombay, in March. Mr. S. S. Master, deputy general manager, who was until recently zonal manager, New Delhi, is now in charge of UK and European operations in place of Mr. Sen Gupta.

*

Mr. G. H. Bridge has been appointed managing director of METALRAX following the retirement of Mr. Leonard Smith. Mr. Wilson Jones and Mr. Neville Preston have become jointly responsible for the management of the group's sheetmetalwork subsidiary, T. Marshlain and Co., on the retirement of Mr. D. C. Bellman, managing director. Mr. George Taylor, sales director of the group's tube manipulation and metal pressing subsidiary, Prescott Powell, has also retired.

*

Mr. Eric Hollis, deputy managing director of Securicor Group and Security Services, has been appointed chairman of MINT SECURITY, following its acquisition by Security Services from the Birmingham Mint. Mr. G. Woodberry has become executive director. Also appointed to the Board are Mr. P. A. C. Smith, Mr. R. S. W. H. Wiggs, Mr. P. F. H. Towle and Mr. R. C. Wheeler. Mr. C. H. Perry, Mr. P. A. Tranter and Mr. F. P. McTighe have resigned.

*

Mr. J. W. G. Beveridge and Mr. C. D. L. Verity have been appointed by PARKLAND TEXTILE (HOLDINGS) as directors of the main holding Board. Mr. Beveridge retains his position as managing director of Knoll Spinning and Mr. Verity continues as managing director of Parkland Manufacturing.

*

Octopus has formed a group structure consolidating its world wide interests, which includes the acquisition of the majority share holding in Mandarin Publishers based in Hong Kong. The holding company is called the OCTOPUS PUBLISHING GROUP with the following Board: Mr. Paul Hamlyn, (group chairman), Sue Thomson (group deputy chairman), Mr. Timothy Clode, (group managing director), Mr. Ronald Setter, Mr. David Martin, Mr. Gordon Cartwright and Mr. Robert Gavron. Mr. Barry Gillions is company director. A newly-formed company Octopus Books Limited will be responsible for group publishing. That Board comprises Mr. Hamlyn (chairman), Mr. Clode (managing director) Mr. Setter (deputy managing director), Mr. Martin, Mrs. Margaret Singleton, Mr. Malcolm Saunders, Mr. Derek Freeman and Mr. Geoffrey Cloke. Mr. Gillions, secretary. Reporting to Octopus Books will be two subsidiaries, Octopus Books Inc., New York and Octopus Books Pty., Sydney.

The Board of Mandarin Publishers now consists of Mr. John Mackie (chairman), Mr. Hamlyn (deputy chairman), Sue Thomson, Mr. Cartwright, Mr. Cloke and Mr. Harry King. Mr. Clode has joined the Boards of Mandarin Offset International, and Unicorn Books, subsidiaries of Mandarin Publishers.

*

Mr. Keith L. Day has been appointed a director of the COMMERCIAL METAL COMPANY from February 1.

*

Mr. David Lawrie has been appointed a salaried partner of H. J. SYMONS AND CO.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the F.T. Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines FT	+18.16	Electronics, Radio and TV	+ 0.06
Mining Finance	+14.77	Oils	+ 0.04
Overseas Traders	+10.06	Other Groups	− 0.03
Shipping	+ 5.06	Building Materials	− 0.12
Wines and Spirits	+ 4.82	Capital Goods Group	− 0.29
Banks	+ 4.70	Chemicals	− 0.30
Packaging and Paper	+ 4.49	Household Goods	− 0.47
Investment Trusts	+ 4.17	Breweries	− 0.58
Newspapers and Publishing	+ 3.59	Toys and Games	− 0.86
Tobaccos	+ 3.59	Consumer Goods (Durable) Group	− 0.96
Property	+ 3.46	Insurance (Life)	− 1.13
Merchant Banks	+ 3.00	Mechanical Engineering	− 1.15
Entertainment and Catering	+ 2.77	Textiles	− 1.45
All-Share Index	+ 1.08	Office Equipment	− 1.50
Consumer Goods (Non-Durable) Group	+ 1.03	Discount Houses	− 1.71
Financial Group	+ 0.98	Food Manufacturing	− 1.88
Stores	+ 0.94	Pharmaceutical Products	− 2.67
Metal and Metal Forming	+ 0.74	Insurance Brokers	− 2.68
Electricals	+ 0.66	Contracting and Construction	− 2.87
Engineering Contractors	+ 0.63	Motors and Distributors	− 2.92
Hire Purchase	+ 0.61	Insurance (Composite)	− 3.38
Food Retailing	+ 0.38		
Industrial Group	+ 0.29		
500-Share Index	+ 0.25		

† Percentage changes based on Tuesday, January 30, 1979, Indices.

LONDON TRADED OPTIONS

Option	Ex'r'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	900	40	—	55	—	64	5	906p
Cons Gold	160	43	10	46	10	—	—	198p
Cons Gold	200	10½	45	15½	5	23	—	"
Courtaulds	120	5½	2	6	—	8½	—	112p
GEC	330	15	10	31	—	37	—	324p
GEC	360	4½	1	14½	—	—	—	"
Grand Met.	100	19½	10	25	—	26½	—	118p
Grand Met.	110	10½	44	14	30	16½	—	"
Grand Met.	120	4½	—	8	7	10½	—	"
ICI	360	13	5	25	—	31	—	356p
ICI	420	1½	25	5½	—	—	—	"
Land Secs	240	23	6	30	3	37	—	254p
Land Secs	260	8	21	16½	—	35	—	"
Shell	550	38	3	52	—	62	—	572p
Shell	600	7½	20	22	6	32	—	"
Totals			201		51		5	
		February		**May**		**August**		
BOC Intl.	70	2	—	5	7	6	—	69p
Boots	180	11	10	21	—	25	—	189p
EMI	180	¼	—	3½	8	7	—	138p
Imperial Gp	80	6½	—	7½	6	9½	—	86p
RTZ	240	35	9	41	—	45	12	275p
RTZ	260	17	46	25	—	32	3	"
RTZ	280	4½	43	16	20	22	42	"
Totals			108		41		57	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
‡50§	F.P.	—	67	59	Arlen Electrical	67	......	b4.5	1.9	10.7	7.5
A$0.50	F.P.	—	82	61	Ashton Mining 50c.	78	......	—	—	—	—
65	F.P.	—	71	68	Caledonian Hldgs.	71	......	b4.75	2.5	9.8	6.1
—	F.P.	—	30	27	Gosforth Ind. 10p	28	......	2.0	—	10.7	—
155	F.P.	10/1	187	170	Harris Queensw'y20p	178	+2	r7.8	3.1	6.5	7.4
**	F.P.	16/2	132	118	Hunting Assoc. Defd.	120	−4	—	—	—	—
—	F.P.	—	104	89	††IAS Cargo Airlines	98	......	F8.8	3.7	4.3	(10.8)
**	F.P.	9/2	34	31	M. Y. Dart Defd.	31	......	—	—	—	—
110	F.P.	17/1	136	115	Mill'tsL's'reShps20p	131	......	bd5.7	1.8	6.6	12.6

FIXED INTEREST STOCKS

Issue Price	Am'unt Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or −
‡‡	F.P.	16/2	109p	105p	Assoc. Dairies 9¾% Pref.	105p	......
‡‡	F.P.	26/1	100	98¾	Colne Valley Water 8% Red Prf 1983	100½	......
‡100p	F.P.	28/12	100½p	98p	Findlay 8% Cnv. Cum. Red. Prf.	98p	......
‡100	F.P.	5/1	125	102	Hawley-Leisure 12% Cnv. Uns. Ln. '86-88	125	+4
—	F.P.	—	137p	118p	††IAS Cargo Airlines 6% Cnv. Pref. £1	130p	+2
‡	F.P.	1/3	101¼	101	Mid Kent Water 8% Pref. 1984	101	......
·100p	F.P.	11/1	107	100¾	Rivington Reed 9½% Cnv. Cum. Red. Pref.	105	......
97½p	F.P.	5/1	99p	97½p	Seascope 10¼% Pref.	97½p	......
**			98p	95p	Shaw Carpets 10% 2nd Cum. Pref. £1	98p	......

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978/9 High	1978/9 Low	Stock	Closing Price p:	+ or −
60	F.P.	19/1	19/2	78	67	Associated Biscuit	76	−2
125	Nil	—	—	36pm	29pm	Baker Perkins	30pm	+1
45	F.P.	8/12	9/2	68½	47	Foster (John)	54	−1
220	Nil	—	—	28pm	18pm	Haslemere Estates	28pm	+3
250	F.P.	3/1	9/2	320	298	Metal Box	318	+2
105	Nil	—	7/2	23pm	19pm	Neil & Spencer	21pm	......
20c	Nil	—	—	33pm	24pm	Poseidon	28pm	+1
10	F.P.	22/1	23/2	17½	14½	Suter Electrical Defd.	16	......
18	Nil	—	—	8pm	5pm	Swan Ryan Intl.	7pm	−1
28	F.P.	10/1	9/2	38	34	York Fine Woollen	37½	+½

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Wed., Jan. 31, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., Jan. 30 Index No.	Mon., Jan. 29 Index No.	Fri., Jan. 26 Index No.	Thurs., Jan. 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	230.71	+0.3	17.51	5.68	7.81	230.04	228.71	228.89	227.66	204.95
2	Building Materials (28)	202.94	−0.1	18.84	6.32	7.28	203.13	201.97	201.85	201.86	184.66
3	Contracting, Construction (28)	348.80	+0.3	22.20	5.18	6.47	347.65	345.98	343.55	342.72	326.40
4	Electricals (15)	544.21	+0.7	14.14	3.49	9.68	540.28	534.33	537.40	533.19	440.90
5	Engineering Contractors (12)	356.03	+0.4	18.07	6.36	7.16	354.70	353.92	353.72	353.62	288.66
6	Mechanical Engineering(73)	179.73	+0.3	18.45	6.18	7.23	179.21	178.89	178.81	177.43	161.45
8	Metals and Metal Forming(16)	160.15	−0.2	17.38	8.97	8.00	160.33	159.71	159.81	158.71	163.53
11	CONSUMER GOODS (DURABLE)(53)	204.74	−0.2	17.23	5.29	7.76	205.16	203.06	204.01	203.59	187.10
12	Lt. Electronics, Radio, TV (16)	261.81	−0.1	14.46	3.99	9.71	262.08	259.36	260.69	259.72	225.67
13	Household Goods (12)	164.88	−0.4	18.34	6.96	7.50	165.55	164.12	163.74	163.51	172.69
14	Motors and Distributors (25)	115.68	−0.3	22.12	7.32	5.60	116.08	114.87	115.50	115.00	113.25
21	CONSUMER GOODS (NON-DURABLE) (170)	209.74	+0.5	16.62	6.14	7.95	208.78	206.83	206.45	205.67	193.57
22	Breweries (14)	229.90	−0.1	16.61	6.54	7.64	230.13	228.56	227.43	226.25	213.44
23	Wines and Spirits (6)	294.92	−0.4	15.75	5.05	9.32	296.09	294.16	293.65	291.00	240.12
24	Entertainment, Catering (17)	277.11	+0.8	15.00	6.65	8.38	274.97	273.15	272.03	270.29	251.94
25	Food Manufacturing (19)	196.82	+0.5	19.09	5.64	6.98	195.90	194.51	194.35	193.76	189.43
26	Food Retailing (15)	230.02	+0.7	13.83	5.12	10.05	228.48	227.07	227.82	226.17	188.95
32	Newspapers, Publishing (12)	381.21	—	21.51	6.41	6.59	381.08	379.19	378.17	378.70	329.81
33	Packaging and Paper (15)	136.43	−0.1	18.49	7.72	7.08	136.60	133.55	132.41	131.38	128.06
34	Stores (40)	192.56	+0.5	12.63	4.94	11.35	191.54	190.74	191.12	190.16	182.51
35	Textiles(23)	175.98	+0.1	18.32	8.52	7.07	175.81	174.63	173.99	174.27	174.56
36	Tobaccos (3)	247.02	+1.4	23.07	7.99	5.07	243.53	236.46	235.37	236.85	225.82
37	Toys and Games (6)	91.62	+1.0	24.21	7.09	4.87	90.67	90.44	90.36	89.37	100.80
41	OTHER GROUPS (99)	194.90	+0.6	15.87	6.41	8.10	193.73	192.20	192.95	192.80	186.10
42	Chemicals (19)	275.94	+0.6	16.12	6.86	8.08	274.43	271.57	273.27	273.27	249.18
43	Pharmaceutical Products (7)	239.05	+1.2	11.62	4.86	10.42	236.23	234.91	236.83	236.66	247.10
44	Office Equipment (6)	127.27	+0.4	17.11	6.33	7.12	126.76	125.10	127.32	127.53	127.29
45	Shipping (10)	424.43	−0.5	14.25	7.16	8.90	426.74	425.98	422.63	420.59	468.49
46	Miscellaneous (57)	212.16	+0.4	18.29	6.79	7.22	211.28	209.82	209.52	209.20	197.08
49	INDUSTRIAL GROUP(494)	217.67	+0.4	16.71	6.03	7.94	216.83	215.86	215.21	214.49	200.60
51	Oils(6)	509.53	+0.8	13.71	3.95	7.93	505.48	499.78	502.56	499.62	438.83
59	500 SHARE INDEX	241.89	+0.5	16.24	5.70	7.94	240.79	238.71	239.06	238.17	220.65
61	FINANCIAL GROUP(115)	170.31	+0.5	—	5.72	—	169.49	168.18	167.57	167.22	164.36
62	Banks(6)	204.61	—	23.03	5.76	6.51	204.70	203.11	202.73	202.02	183.31
63	Discount Houses (10)	210.78	+0.7	—	8.66	—	209.28	209.28	212.06	212.06	203.77
64	Hire Purchase (5)	165.44	+0.5	19.32	5.29	6.64	164.63	162.75	163.58	161.95	162.65
65	Insurance (Life) (10)	131.77	+0.1	—	7.13	—	131.63	131.18	131.09	130.89	140.59
66	Insurance (Composite) (7)	119.78	+1.2	—	7.32	—	118.37	118.19	117.58	117.75	129.08
67	Insurance Brokers (10)	304.94	+1.2	15.65	5.56	9.11	301.23	298.43	294.45	295.11	306.42
68	Merchant Banks (14)	79.76	—	—	6.15	—	79.72	79.55	79.57	79.57	80.30
69	Property (43)	278.14	+0.5	3.80	2.92	42.13	276.66	271.98	269.43	267.84	240.55
70	Miscellaneous (10)	112.79	+0.2	19.84	6.99	6.26	112.61	113.17	113.63	113.75	106.23
71	Investment Trusts (111)	211.75	+0.2	—	5.03	—	211.25	210.92	210.37	209.49	187.41
81	Mining Finance (4)	117.73	+1.3	15.97	6.05	7.71	116.22	114.29	111.74	111.74	90.02
91	Overseas Traders (20)	323.28	+0.4	14.93	7.40	8.49	322.12	319.37	317.27	317.35	271.90
99	ALL-SHARE INDEX (750)	223.62	+0.5	—	5.71	—	222.60	220.77	220.70	219.97	204.49

FIXED INTEREST PRICE INDICES

	British Government	Wed., Jan. 31	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	101.49	+0.00	0.35	0.76
2	5-15 years	106.34	−0.12	—	0.89
3	Over 15 years	110.05	−0.16	—	1.20
4	Irredeemables	118.59	−0.15	—	0.00
5	All stocks	105.77	−0.09	0.15	0.93

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Wed., Jan. 31	Tues., Jan. 30	Year ago (approx.)
1	Low Coupons	5 years	10.30	10.29	7.55
2		15 years	12.04	12.01	9.71
3		25 years	12.85	12.81	10.29
4	Medium Coupons	5 years	13.49	13.46	9.81
5		15 years	13.50	13.47	10.71
6		25 years	13.50	13.47	10.84
7	High Coupons	5 years	13.53	13.51	10.42
8		15 years	14.03	14.00	11.61
9		25 years	14.03	14.00	11.66
10	Irredeemables		12.49	12.46	10.16

		Wed., Jan. 31 Index No.	Wed., Jan. 31 Yield %	Tues. Jan. 30	Mon. Jan. 29	Fri. Jan. 26	Thur. Jan. 25	Wed. Jan. 24	Tues. Jan. 23	Mon. Jan. 22	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	53.94	‡13.74	54.09	54.09	54.20	54.20	54.14	54.36	54.45	62.64
16	Investment Trust Prefs. (15)	50.12	14.02	50.12	50.12	50.76	50.76	50.76	50.76	50.76	57.13
17	Coml. and Indl. Prefs. (20)	71.14	13.17	71.14	71.25	71.49	71.49	72.14	72.14	72.14	77.94

‡ Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

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AUTHORISED UNIT TRUSTS

[illegible]

Equity & Law Un. Tr. M.

Amersham Rd., High Wycombe 0494 33377

Equity & Law	167.3	70.8		4.41

James Finlay Unit Trust Mngt. Ltd.

10-14 West Nile Street, Glasgow 041-204 1321

J. Finlay Internat'l	[illegible]	[illegible]	[illegible]	[illegible]
Accum. Units	[illegible]	[illegible]	[illegible]	[illegible]
J. Finlay Income	[illegible]	[illegible]	[illegible]	[illegible]
J. Finlay Euro Fin	[illegible]	[illegible]	[illegible]	[illegible]
Accum. Units	[illegible]	[illegible]	[illegible]	[illegible]
J. Finlay Fd In Tst	[illegible]	[illegible]		4.75
Accum. Units	[illegible]	[illegible]		4.75

Prices on Jan. 31. Next dealing Feb. 7.

Commodity & Gen.	70.5	77.0	+0.1	5.08
Do. Accum.	83.4	91.1	+0.2	5.08
Growth	37.5	40.3	-0.2	3.31
Do. Accum.	40.6	43.7	-0.1	3.31
Capital	26.9	28.9		3.87
Do. Accum.	29.6	31.9		3.87
Income	53.2	57.2	+0.2	6.88
Do. Accum.	62.0	66.7	+0.2	6.88
International	45.7	49.4	-0.3	2.41
Do. Accum.	49.3	53.0	-0.3	2.41
High Yield	62.5	67.3	+0.1	8.67
Do. Accum.	68.2	73.4	+0.1	8.67
Equity Exempt*	105.4	111.0		5.68
Do. Accum.*	105.4	111.0		5.68
Japan & Pacific	51.6	54.3	-0.3	0.84
Do. Accum.	51.6	54.3	-0.3	0.84

*Prices at Jan. 26. Next dealing Feb. 2.

CORAL INDEX: Close 467-472

INSURANCE BASE RATES

†Property Growth	12%
†Vanbrugh Guaranteed	11.75%

†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

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BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	...	—	—
41	33	Do. 5pc Pref...	40	...	—	—
98	98	Chilean Mixed ...	98		—	13.10
22	6	Chinese 4½pc 1898	19	...	—	—
35	4½	Do. 5pc 1912 ...	31	...	—	—
20½	4½	Do. 5pc 1925 Boxer	18½	...	—	—
415	350	German Yng 4½pc.	415	...	4½	—

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 46¼% (based on US$1.9930 per £)

Conversion factor 0.6798 (0.6757)

CANADIANS

S.E. List Premium 46¼% (based on $2.3857 per £)

BANKS AND HIRE PURCHASE

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ELECTRICAL AND RADIO

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INDUSTRIALS—Continued

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
76½	62	Hawkins & Tipson	63	......	†4.46	ϕ	10.6	ϕ
16¼	7¼	Hawtin 5p	16½	+½	—	—	—	16.7
78	34	Hay (Norman) 10p	72	......	†3.05	2.1	6.3	11.2
164	120	Hay's Wharf £1	146	......	5.52	2.7	5.6	8.7
100	72½	Hepworth Cmc.	80½	......	3.35	3.8	6.2	6.2
112	72	Hestair	74	−2	6.99	3.1	14.1	(2.9)
25	20	Hewitt (J.) 5p	25	......	1.05	4.3	6.3	5.7
65	45	Highgate & Job 50p	50	......	†2.54	2.4	‡	8.4
117	77	Hill (Chas.) £1	90	......	†7.37	—	‡	—
38	28	Hirst Mallison 20p	36½	+½	†1.83	2.9	7.5	(5.3)
82	61	Holden (A.)	80	......	3.62	3.9	6.8	6.3
74	59	Hollis Bros	68	......	4.56	ϕ	10.0	ϕ
177	119½	Holt Lloyd Intl. 10p	161	+5	†7.11	2.0	6.6	11.7
390	213	Hoover 'A'	215	−5	15.04	2.8	10.4	7.3
*175	119	Hoskins & H 20p	140	......	h10.39	2.0	11.1	11.9
58¼	23½	Howard Tenens	25¾	......	1.91	1.9	11.1	5.9
208	78½	Hunting Assoc.	160	......	†h1.99	9.2	1.9	8.8
62	23½	Huntleigh 10p	61	+1	†h0.68	7.8	1.7	13.0
118	49	Hutch Whamp $HK1	78	......	†Q20c	2.3	3.4	14.4
28½	11¼	Hyman (I. & J.) 5p	25	......	h0.97	3.9	5.8	6.8
£24⅞	£14½	I.C. Industries‖	£20¼	+¼	Q$1.52	—	3.8	—
487	206	ICL £1	450	+10	8.29	7.4	2.8	5.3
396	308	Imp. Cont. Gas £1	363xd	......	9.96	3.3	4.1	8.6
33	22	Ingall Inds. 10p	31	......	1.87	1.6	9.0	10.3
98	61	Initial Services	95	−½	5.96	2.8	7.9	6.4
20½	8	Inter-City 20p	16	......	†0.61	2.7	5.7	9.8
54	39	James (John)	51	+½	2.76	2.8	8.1	5.8
17	9½	James (M.) Inds. 20p	16	......	1.02	1.3	9.5	11.8
307	149	Jardine M. $HK5	195	......	KQ71c	2.3	3.9	11.1
34½	23½	Jentique	31	......	2.22	ϕ	10.7	ϕ
*12½	9½	Johnson & Barnes	10	......	—	—	—	—
121	76½	Johnson Clnrs.	119	−1	†3.95	4.0	5.0	5.6

INSURANCE—Continued

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EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
156	64	Bougainville 50 Toea	155	+4	†Q8c	1.4	3.2
133	63	BH South 50c	133	......	—	—	—
820	150	Central Pacific	450	......	—	—	—
336	148	Conzinc Riotinto 50c	296	......	†Q10c	2.2	‡
32	19	Coltus Pacific N.L.	27	......	—	—	—
27	9½	Endeavour 20c	19	......	—	—	—
82	45	G M. Kalgoorlie $1	75	......	—	—	—
68	18	Haoma Gold N L.	36	......	—	—	—
159	81	Hamptn Areas 5p	152¢	......	ϕ†3.55	2.0	3.5
40	10	Metals Ex 50c	32	−1	—	—	—
261	125	M.I.M. Hldgs 50c	261	+8	†Q9c	1.7	2.1
22	10	Minefields Expl.	15	......	—	—	—
65	10	Mount Lyell 25c	65	......	—	—	—
56	12	Newmetal 20c	28	......	—	—	—
143	79	North B Hill 50c	125	+2	Q8c	1.3	4.0
16½	8½	Nth. Kalgurli	14	......	—	—	—
50	12	Nth. West Mining	29	−1	—	—	—
178	115	Oakbridge $A1	130	+4	Q12c	1.9	10.3
42	10	Oilmin N. L.	27	−2	—	—	—
95	30	Pacific Copper	95	+1	—	—	—
£15½	725	Pancont'l 25c	925	+50	—	—	—
40	12	Paringa M&Ex. 5p	20½	......	—	—	—
570	310	Peko-Wallsend 50c	474	−4	Q15c	ϕ	2.0
300	50	Southern Pacific	180	−5	—	—	—
164	84	Westn. Mining 50c	161	+3	Q5c	0.7	1.2
100	35	Whim Creek 20c	60	......	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
90	23	Amal. Nigeria	25	......	2.81	1.3	16.8
435	240	Ayer Hitam $M1	425	−10	Q300c	0.5	15.2
60	45	Beralt Tin	52	......	4.0	ϕ	11.5
305	190	Berjuntai $M1	260	+5	†Q110c	1.0	9.9
185	111	Geevor	145	......	H5.57	5.8	5.7
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	310xd	......	18.0	ϕ	8.7
320	190	Hongkong	300	......	12.5	ϕ	6.2
93	64	Idris 10p	68xd	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50	76	......	†Q12.5c	2.1	3.5
255	133	Killinghall $M1	245	......	—	—	—
470	280	Malay Dredging $M1	440	−5	Q175c	0.7	8.5
78	40	♦Pahang	53	+3	—	—	—
78	50	Pengkalen 10p	63xd	......	4.5	ϕ	10.7
270	165	Petaling $M1	220	−5	Q120c	ϕ	11.7
87	49	Saint Piran	77	......	†2.03	6.5	3.9
70	47	South Crofty 10p	56	......	†4.19	2.0	11.2
245	140	South Kinta $M0.50	190	......	†rQ145c	0.6	16.4
370	230	Sthn Malayan $M1	365	......	Q190c	1.0	11.2
240	134	Sungei Besi $M1	240	......	mQ65c	5.3	5.8
85	55	Supreme Corp. $M1	75	......	ZQ10c	—	2.9
103	84	Tanjong 15p	103	......	6.60	0.8	9.6
270	148	Tronoh $M1	240	−5	‡Q88c	1.6	‡

COPPER

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	93	+5	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	68	−2	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
300	165	Cons. Murch. 10c	300	......	—	—	—
465	245	Northgate C$1	400	......	—	—	—
274	164	R.T.Z.	273	+6	9.5	2.8	5.2
90	30	Sabina Inds. C$1	44	......	—	—	—
£12	687	Tara Explo. $1	875	−5	—	—	—
215	120	Yukon Cons. C$1	215	......	Q7c	2.9	1.5

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$12½	......	Q190c	ϕ	17.5
$11¼	830c	East Drie R1	990c	+5	Q115c	ϕ	13.4
585c	330c	East Rand Prp. R1	415c	......	Q10c	—	—
$28⅛	$16½	F. S. Geduld 50c	$22¼	+⅛	Q315c	2.4	16.3
$15¼	975c	Pres. Brand 50c	$12½	......	Q250c	3.2	13.8
$13¼	900c	St. Helena R1	$11⅝	......	Q190c	1.4	18.4
486c	313c	Stilfontein 50c	480c	......	Q66c	2.3	15.8
$22⅛	$16¼	Vaal Reefs 50c	$20¾	......	Q280c	ϕ	15.9
$37	$25	West Drie R1	$30¼	−¼	†Q385c	1.7	14.7
$31¼	$19	West Hldgs. 50c	$27¼	+⅛	Q415c	1.4	17.5
$13	895c	Western Deep R2	$11½xd	−⅛	Q147½c	2.4	14.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♦ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 36

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv. 20p	26	......	Sheffield Brick	52	......
Ash Spinning	107	......	Sheff. Refrshmt	70	......
Bertam	15	......	Sindall (Wm.)	128	......
Bdg'wtr. Est. 50p	322	......	**IRISH**		
Clover Croft	28	......			
Craig & Rose £1	615	......	Conv. 9% '80/82	£89	......
Dyson (R. A.) A	35	......	Alliance Gas	110	......
Ellis & McHdy	69	......	Arnott	395	......
Evered	27	......	Carroll (P.J.)	85	......
Fife Forge	52	......	Clondalkin	98	+2
Finlay Pkg. 5p	21	......	Concrete Prods.	140	......
Graig Ship £1	125	......	Heiton (Hldgs.)	50	+5
Higsons Brew	78	......	Ins. Corp.	160	......
Holt (Jos) 25p	252	......	Irish Ropes	105	......
I.O.M. Stm. £1	238	......	Jacob	50	......
Pearce (C. H.)	208	−1	T.M.G.	185	......
Peel Mills	24	......	Unidare	88	+1

OPTIONS
3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		I.C.I.	20	Tube Invest.	30
A. Brew.	6½	"Imps"	6	Unilever	35
A P Cement	18	I.C.L.	40	Utd. Drapery	7½
B S R.	8	Inveresk	7	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	14	**Property**	
Beecham	32	Legal & Gen	14		
Boots	15	Lex Service	7	Brit. Land	3¼
Bowaters	14	Lloyds Bank	22	Cap Counties	4½
B A T	24	"Lofs"	4	E P	3½
British Oxygen	6	London Brick	6	Intereuropean	5
Brown (J.)	33	Lonrho	5	Land Secs.	16
Burton 'A'	16	Lucas Inds.	25	MEPC	12
Cadburys	5	Lyons (J.)	10	Peachey	8
Courtaulds	10	"Mams"	12	Samuel Props.	9
Debenhams	8	Mrks. & Spncr	7	Town & City	1¼
Distillers	15	Midland Bank	25	**Oils**	
Dunlop	5	N E I	12		
Eagle Star	10	Nat. West Bank	22	Brit Petroleum	45
E M I	14	Do. Warrants	10	Burmah Oil	8
Gen Accident	17	P & O Dfd	7	Charterhall	2½
Gen Electric	18	Plessey	8	Shell	28
Glaxo	40	R H M	5	Ultramar	16
Grand Met	7½	Rank Org 'A'	18	**Mines**	
G U S. 'A'	20	Reed Intnl.	12		
Guardian	18	Spillers	3½	Charter Cons.	12
G K N	22	Tesco	4	Cons. Gold	12
Hawker Sidd.	20	Thorn	22	Rio T. Zinc	16
House of Fraser	12	Trust Houses	£18		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday February 1 1979

Andreotti quits as majority collapses

By Paul Betts in Rome

SIG. GIULIO ANDREOTTI, the Italian Prime Minister, resigned last night after a two-day parliamentary debate in which the Communist Party withdrew its backing for the 10-month-old minority Christian Democrat Government.

He told Parliament he was resigning because the majority support for his Government had collapsed, although there had not been a vote of no-confidence.

After a brief Cabinet meeting, Sig. Andreotti submitted his resignation to President Sandro Pertini, who is to start consultations with political leaders today. Sig. Pertini is expected to give Sig. Andreotti later this week a mandate to form a new Government.

However, Sig. Andreotti's chances of rebuilding a parliamentary majority appear extremely slim following his party's firm rejection of Communist demands for Cabinet posts in the next Government.

These demands were renewed in the parliamentary debate by Sig. Alessandro Natta, the Communist Party chief whip, and were promptly rejected by Sig. Giovanni Galloni, his Christian Democrat counterpart.

Unless a compromise is found to break the deadlock between the two main parties, which account for more than 70 per cent of the electorate, the crisis can be expected to lead to an early general election. Relations between the two parties have reached their worst level since the inconclusive June 1976 election.

Most political parties say they are opposed to an early election because of renewed political violence and continuing economic and social difficulties.

The political uncertainties may not only delay the implementation of the country's three-year economic recovery plan but also threaten the collapse of the medium-term economic programme.

Some leading U.S. banking institutions are forecasting a 3 per cent growth level in Italy this year compared with the official target of 4 per cent, and an inflation rate of between 13 per cent and 14 per cent compared with the proposed 12 per cent rate.

Meanwhile, the funeral in Milan yesterday of Sig. Emilio Alessandrini, the magistrate shot dead in the city by Left-wing extremists on Monday morning, was a further reminder how political violence has recently revived.

Weather

UK TODAY

RATHER cold with widespread rain and frost. Maximum temperature 5C (41F).

London, S.E. and S. Cent. England
Cloudy. Hill fog and rain.

E. Anglia, Midlands, Wales
Cloudy. Rain, sleet, some snow.

E. and N. England, Borders
Bright periods. Wintry showers.

Channel Isles, S.W. England
Cloudy. Rain, heavy at times.

Isle of Man, Scotland, Ulster Highlands, Islands
Bright intervals. Wintry showers.

● **Outlook:** Cloudy with rain or sleet in south. Wintry showers in north.

● **Long range forecast:** Further very cold periods with severe frosts but more dry and sunny days.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	F	3	37	Madrid	S	6	43
Athens	F	17	63	M'chstr.	F	5	41
Bahrain	S	19	66	Melbne.	C	26	79
Barclna.	S	12	54	Mex. C.	S	21	70
Belfast	S	3	37	Milan	S	11	52
Belgrd.	R	3	37	Mntreal	Sn	23	73
Berlin	F	−3	27	Mntreal	Sn	−13	13
Bmghm.	C	3	37	Moscow	C	2	36
Bristol	S	6	43	Munich	C	1	34
Brussels	S	3	37	Newcstl.	F	5	41
Budpst.	C	5	41	N. York	C	1	34
B. Aires	S	23	73	Paris	S	6	43
Cairo	C	24	75	Perth	C	25	77
Cardiff	S	7	45	Prague	Sn	2	36
Chicago	S	−7	19	Rio J'o	C	26	78
Cologne	C	2	36	Rome	F	7	45
Cpnhgn.	Sn	−3	27	Singapr.	S	28	82
Dublin	C	6	43	Stckhlm.	Sn	−6	21
Ednbgh.	C	5	41	Strasbg.	C	4	39
Frankft.	F	2	36	Sydney	C	27	81
Geneva	S	3	37	Tehran	S	5	40
Glasgow	C	5	41	Tel Aviv	S	19	66
Helsinki	Sn	−6	21	Tokyo	R	9	48
H. Kong	S	10	50	Toronto	C	−10	14
Jo'burg	C	22	72	Vienna	F	5	41
Lisbon	F	8	46	Warsaw	C	−3	27
London	C	5	41	Zurich	Sn	0	32
Luxmbg.	S	13	55				

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	10	50	Istanbul	S	14	57
Algiers	F	15	59	Jersey	C	7	45
Biarritz	S	12	54	L. Plms.	F	18	64
Blackpl.	C	4	39	Locarno	S	10	50
Bordx.	F	8	46	Majorca	S	14	57
Boulgn.	C	6	43	Malaga	C	15	59
Cas'b'ca	S	16	61	Malta	F	15	59
Cape T.	S	26	79	Nairobi	C	20	68
Corfu	F	14	57	Naples	F	11	52
Dbrvnk.	R	5	41	Nice	S	13	55
Faro	S	13	55	Oporto	F	12	54
Florence	F	11	52	Rhodes	F	16	61
Funchal	C	17	63	Salzbrg.	Sn	0	32
Gibrltr.	S	17	63	Tangier	S	17	63
G'msey	C	7	45	Tunis	F	14	57
Innsbrk.	F	−4	25	Valencia	S	13	55
Invrnss.	F	4	39	Venice	F	5	41
I.o.Man	F	7	45				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Farm price freeze proposed by EEC

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission has proposed a freeze on all EEC common farm prices, an effective price rise of about 5 per cent for British, French and Italian farmers, and progressive tax on milk production.

The British, French and Italian price rises will be achieved by devaluing their "green" currencies, the rates used to convert common farm prices expressed in units of account into national currencies. The Commission is also proposing that Ireland's green pound be brought back to parity with its foreign exchange rate—a gap of about 3 per cent.

The proposals are part of the 1979-80 farm price review which the Commission yesterday formally approved and sent to the Council of Ministers.

The package is an exercise in balancing the conflicting interests of Britain, France and Germany.

In an attempt to meet French demands and thus clear the way for introduction of the European Monetary System, the Commission has drawn up a plan for getting rid of monetary compensatory amounts. These subsidies and levies on farm trade neutralise currency fluctuations, bridging the gap between "green" rates and foreign exchange rates.

Existing MCAs would be progressively phased out over four years starting from the introduction of EMS. The timetable would be flexible, allowing slightly more time for Britain, and enabling strong currency countries such as Germany to retain their present MCAs for at least two years.

MCAs created after the start of EMS would be automatically phased out over the same period, unless the Council of Ministers decided to retain them.

The proposal to freeze common prices meets the main demand of Britain, which threatened to veto any price rises. But the British can be expected to oppose the plan to dismantle MCAs, which would automatically raise their farm prices by nearly 30 per cent. The Commission has included a sweetener for Britain—higher subsidies for butter consumption—but this may not be sufficient to win its support.

Germany, which threatens to block any move which might cut its farmers incomes, can be expected to oppose the phasing out of MCAs, which subsidise its farm exports.

But the Commission has stressed that the plan will proceed only if the EMS succeeds in stabilising EEC currencies. This would reduce the scope of the problem.

It has also suggested that any serious cuts in farm incomes could be offset, possibly by reviving the VAT exemptions which were introduced for German farmers ten years ago.

It has also proposed special aids for modernising and developing regions where small-scale farms predominate. These might be applied to regions such as Bavaria.

Tough proposals aimed at curbing the dairy surplus, the Community's biggest agricultural problem, will almost certainly bring large cuts in farmers' milk prices.

They include a basic 2 per cent levy on income from milk, rising progressively on all output exceeding average levels of the past two years.

Each 1 per cent of added output will bring a 2 per centage point increase in the tax. Only small farmers with no alternative to milk production will be exempt.

Announcing the proposals, Mr. Finn Olav Gundelach, the EEC Farm Commissioner, said: "I have no illusions that there will be a quick decision."

But he insisted that whatever compromise might have to be made during the negotiations, there would be no price rises for any of the community's surplus commodities.

BL Cars' output 'will not justify parity pay'

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS appears to be heading for a confrontation with its workforce following the announcement that productivity improvements have been insufficient to justify parity payments—largely because of the road haulage dispute.

Management has told union negotiators that payments—worth up to £10 a week for some workers—due to be awarded this month but backdated to November 1 have not been earned.

The company has achieved the 7,000 reduction in the workforce, laid down as the price of parity payments, but has not achieved the required increase in output.

One factor was the unofficial strike before Christmas at the Drews Lane components plant, Birmingham. Far more serious has been the impact of the road haulage dispute which has cut production by up to 30 per cent.

Cowley, Oxford, was brought to a standstill and output at other plants was severely curtailed.

Union leaders last night predicted an outcry from shop floor workers. One senior official—a moderate—described the company's move as "totally inexplicable and provocative."

The parity payments are part of a package accepted before Christmas by a 2-1 majority in a ballot of the 100,000 manual workforce. If implemented in full the deal would have added 15 to 16 per cent to the total wage bill BL said at the time.

The company has now indicated that it will go ahead with the 5 per cent annual wage increase plus overtime and shift payments under a national agreement. But management has made clear to union representatives that parity awards to achieve the same wage for the same job have to be self financing.

BL is not taking the line that it is under pressure from the Government to abide by pay guidelines, but says it must adopt a strictly commercial view and ensure earnings are paid for by output.

The first response of the unions has been to suspend talks about a new five-grade pay structure. A meeting of all senior stewards has been called for Monday to make a considered response.

Management has promised to explain the position in more detail to union negotiators tomorrow.

Aid for BL car dealers Page 7
The City's helping hand Page 24

Working party rebukes NEB

BY MAX WILKINSON

THE National Enterprise Board was rebuked yesterday for failing to co-operate with the industrial strategy being worked out by a National Economic Development Council working party.

Resentment has developed among members of the Electronic Components Sector Working Party against the NEB's independent attitude.

Members were particularly angry when the NEB went ahead with its plan for INMOS, a £50m venture into the micro-electronics industry, last year without apparently consulting the sector working party.

In its Industrial Strategy Progress Report, published today, the working party says: "The National Enterprise Board, when preparing its plans for the future, should co-operate with the SWP at least to the same extent as do private companies in this sector."

Mr. Jack Akerman, former managing director of Mullard, the Philips subsidiary, and a member of the working party, said: "We would not expect to hear all the confidential details of the NEB's plans, but since the working party was set up by the Government to co-ordinate strategy, we would expect an outline of what the NEB intended to do before we read about it in the newspapers."

The sector working party consisted of many experienced people with Britain's interests at heart. It would have been prudent for the NEB to have asked for an opinion, even if it disagreed with the advice given.

The NEB said last night that Sir Leslie Murphy, the board's chairman, belongs to the National Economic Development Council. However, the NEB is not represented on the Electronic Components working party.

It was impossible for the NEB to be represented on all 40 sector working parties. "We are here any time they want to come and talk to us."

A consideration when disclosing information to sector working parties was that members included representatives of competitors. Like any other company, the NEB was reluctant to give too much advance warning to competitors.

On INMOS, the NEB felt that its action in setting up a new subsidiary accorded with policy expressed by the working party.

Working part report, Page 8

Panel accuses director of insider dealing

BY CHRISTINE MOIR

THE TAKEOVER Panel last night accused a director of the Schlesinger Group, a South African - based unit trust concern, of insider dealing during the reverse takeover of Chaddesley Investments by Greycoat Estates early last year.

In a strongly worded statement the Panel says that Mr. M. S. Gorvy, the director, advised a South African client of Schlesinger to buy Chaddesley's shares after he had been appointed to act as agent for Chaddesley's largest shareholder which had had a possible approach for its 38 per cent stake in the company.

Mr. Gorvy was closely associated with Chaddesley because one of Schlesinger's subsidiaries, Portman Estates, held about 16.2 per cent of Chaddesley's shares and also managed the group's property portfolio.

In February, Mr. Gorvy was told that Greycoat was interested in buying the 38 per cent stake and was appointed agent for the sale.

Two months later, while complex negotiations were continuing which ultimately led to Greycoat obtaining 68 per cent of Chaddesley, Mr. Gorvy advised the South African British Investment Trust to buy Chaddesley shares.

Mr. Grovy argued that at the time Greycoat had not decided to buy the stake and that therefore no "bid" existed. Once Greycoat made a formal approach he forbade any further dealings by Schlesinger.

The Panel's finding acknowledges that the relevant Rule 30 in the City Code does not precisely cover the circumstances in which Mr. Gorvy acted. However, it emphasised that it is the spirit of the Code and not the letter which must be observed.

The action was not done for personal gain and Schlesinger has since altered its arrangements so that such dual capacity no longer occurs. But at the same time Panel records its "strong disapproval"

Continued from Page 1

Iran

message was not entirely unexpected, but the phraseology, "possible suspension or alteration," appeared to indicate some doubt in the Iranians' minds as to what precisely they could or should do.

● David Lascelles writes from New York: Mr. James Schlesinger, the U.S. Energy Secretary, warned yesterday that the Iranian crisis might force the U.S. to impose mandatory oil conservation measures from April 1 unless Iran resumed production by then.

Although he has previously spoken of impending shortages, this is the first time he has given a date. His Department stressed that it was still hoped that voluntary restraint would make mandatory measures unnecessary.

Among measures the department is considering, Mr. Schlesinger said, were allocation of crude oil and refined products among refiners and dealers and closing petrol stations on Sundays and in the evenings.

He did not think that rationing would be necessary.

U.S. index of economic indicators down again

By David Buchan in Washington

By David Buchan in Washngton

Definite signs of a slowdown in the U.S. economy this year came yesterday with the news that the leading indicators index, considered a key gauge of future trends, fell 0.5 per cent in December for the second successive month.

Mr. Michael Blumenthal, the Treasury Secretary, sought to dispel any sense of alarm when he addressed the joint economic committee of Congress yesterday. The growth rate would come down from 4.25 per cent last year to 2-2.5 per cent this year. But he said this "is just about where we ought to be—for the economy to cool itself off in a measured fashion, for inflation to turn resolutely away from the double digit range, for the trade deficit to narrow significantly, and for the dollar to firm up substantially."

However, he no longer rejected out of hand the numerous private forecasts of a recession this year or next. He merely pointed out that even the recession predictions—with which he did not agree—"all involve much milder and shorter downturns than we experienced in 1974—no one sees us on the road to a serious bust."

The Commerce Department reported that six of the ten components making up the December leading indicators index declined. These were the average work week, the lay off rate, changes in total liquid assets, the money balance, new orders for industrial plant and equipment and building permits.

Government economists caution that it usually takes at least three monthly declines in the index for a definite judgement to be made about the trend in the economy. Even then, the index, which is volatile and often subject to revision later, is not foolproof. Thus a three-month decline in summer 1977 did not herald a permanent downturn.

Aid plea by Kirkby co-op may be rejected

By John Elliott, Industrial Editor

THE CABINET is to be recommended by its main Ministerial committee on industry to reject an application for State aid of up to £6m from the losing Kirkby Manufacturing and Engineering workers' co-operative.

If the Cabinet decides to follow the recommendation it would almost certainly mean thta the four-year-old co-operative, which produces central heating radiators and other engineering goods, would close.

It has already received Government aid totalling £5.7m and been losing £20,000 a week.

The closure would cause a major political row in the Labour Party because the co-operative has become a cause célèbre for Labour Party Left-wingers since it was created by Mr. Anthony Wedgwood Benn when he was Industry Secretary at the end of 1974.

Last Thursday the Government's Industrial Development Advisory Board recommended against the co-operative's latest claim for immediate aid of up to £2m, followed later by a further £4m for developing radiator production facilities.

The situation will be discussed at a meeting in London today between Mr. Alan Williams, Minister of State for Industry, and Mr. Jack Spriggs, one of the co-operative's two convenor-directors.

Elinor Goodman writes: Merseyside MPs were seeing Mr. Michael Foot, the Leader of the Commons, last night in a last night in a last-ditch attempt to avert the closure. It is not clear whether the matter will go on today's Cabinet agenda.

Last night Mr. Robert Kilroy-Silk, Labour MP for Ormskirk, who was leading the delegation to see Mr. Foot, said it would be madness to let the co-operative go into Receivership.

Ministers have already overruled the advice of the advisory board on at least two earlier occasions over giving aid to the co-operative, and the delegation still hoped that it might convince Mr. Foot that it should do so again.

PM for Tyneside

THE PRIME MINISTER is to visit Teesside and Tyneside on Friday and Saturday. On Friday afternoon Mr. Callaghan will visit the Thornaby plant of the Armstrong Cork Company and on Saturday he will address the Labour Party local government conference at Newcastle City Hall.

THE LEX COLUMN

Marking time at Lonrho

Index rose 1.7 to 467.7

Just ahead of the Monopolies Commission report on the proposed Lonhro takeover of SUITS, which is likely to be published within the next week or two, Lonhro has produced figures which look reasonable in a generally lean year for overseas traders. But only bare clues about the make-up of its pre-tax profits total of £93.6m, against £90.2m, can be gleaned from the preliminary statement. And at the bottom line earnings per share have eased a tenth, while there is no rise i nthe gross dividend this year—not that shortage of income is a reason why the shares stand no higher than a modest 66p, for the yield is 16.1 per cent.

Overall profits were barely maintained in the second six months, but on the other hand there was less reliance on the contribution of associates like House of Fraser. Less helpfully, minority interests rose substantially in the second half to the extent that they were absorbing over a quarter of net profits. Presumably this reflects high earnings in some of the African interests. Elsewhere, Lonhro points to reorganisation costs at its UK acquistions, which may relate to companies like Brentford Nylons and Dunford and Elliott.

While Lonrho's price eased 1p yesterday, taking the p/e ratio down to 2.5, the price of SUITS picked up 4p to 123p. The problem overhanging Lonrho now is that if it does get the go-ahead to renew its offer it will need to issue more than the 40m shares (21 per cent of its present issued capital) proposed last April. And on past evidence, Lonrho has not been reluctant to resort to the printing press.

Tozer Kemsley

Some things are too good to last, and it should have been no real surprise to Tozer Kemsley and Millbourn shareholders that BMW has decided to take over the lucrative importing of its cars into the UK from TKM.

In 1977 BMW Concessionaires supplied £3.7m of TKM's pre-tax profits of £5.5m, a hefty contribution even if around £0.45m of the Concessionaires' earnings came from the re-export business which TKM will keep. In the year just ended, the dominance of the BMW side as a source of earnings may have been less overwhelming, but it probably still brought in something over £4m out of, say, £7.5m.

TKM is bravely saying that it should avoid any fall in profits in 1980, the first year in which the BMW import business will be absent. The group certainly has a number of depressed divisions that should be recovering—the timber side, McKee, TKM Foods and the UK and French Mazda franchises. But to make up £5m or so at the pre-tax level, which will be necessary if the 1979 BMW earnings are to be replaced, looks a tall order, requiring that nothing should go wrong. It is particularly important that the Mazda distributorships should come good, and this will largely depend on the continued competitiveness of Japanese car exports into the UK and France. No wonder TKM is already casting around for a new franchise.

Eurobonds

Yesterday's rush by borrowers to take advantage of the glimmer of confidence returning to the dollar markets was almost embarrassing. No sooner had Chase Manhattan put its seal on the softer trend in short-term dollar interest rates by lowering its prime rate than five new Eurobonds were being offered.

Investors have plenty of dollars available to go back into bonds and borrowers who feel that dollar rates have further to rise are using the present period of relative stability to sell paper. Sears Roebuck is raising three year money at 9 per cent to replace a floating rate issue, which suggests that it is making pretty gloomy assumptions about the prospects for Eurodollar deposit rates between now and 1982.

Redland is taking the opportunity of bringing out a dollar bond with warrants, which will allow it to raise its dividend by half as well as tidying up the financing of its most recent U.S. acquisition, Automated Building Components. The exercise of the warrants would result in the issue of 2.3m new shares—2.6 per cent only of the present issued equity. At last night's price of 166p the new yield is 5.7 per cent on a p/e of 7.1.

Northern Foods

Northern Foods' accounts show that the decks are being cleared for a sizeable programme of acquisitions. The articles of association are being changed, reserves are being bolstered by a new treatment of deferred tax and a forthcoming revaluation, and borrowing limits are being tidied up. The debt ceiling will be £192m under a proposed new article, compared with relevant borrowings of just £18m at the end of 1978.

Behind all this activity lies the objective of reducing dairy products from about 50 per cent of profits to 25 or 30 per cent by the end of 1981. The reason is that Northern wants to keep out of the commodity side of the dairy trade — butter and hard cheese — and already has established a very strong position in higher value dairy products, such as desserts. It is looking for new businesses at the quality end of the food and drink industry, with an established management and profits record, preferably making products with a short shelf life. And whenever posible, it wants to pay for them with cash rather than with its own shares.

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